



Jeffrey A. Meyers  
Commissioner

Katja S. Fox  
Director

F JBB

STATE OF NEW HAMPSHIRE  
DEPARTMENT OF HEALTH AND HUMAN SERVICES  
*DIVISION FOR BEHAVIORAL HEALTH*

129 PLEASANT STREET, CONCORD, NH 03301  
603-271-9544 1-800-852-3345 Ext. 9544  
Fax: 603-271-4332 TDD Access: 1-800-735-2964 www.dhhs.nh.gov

September 12, 2019

His Excellency, Governor Christopher T. Sununu  
and the Honorable Council  
State House  
Concord, New Hampshire 03301

**REQUESTED ACTION**

Authorize the Department of Health and Human Services, Division for Behavioral Health to exercise a renewal option to an existing agreement with Harbor Homes Inc. (Vendor #155358), 45 High Street, Nashua, NH 03060, to continue providing a community residential program for adults who have severe mental illness or severe and persistent mental illness by increasing the price limitation by \$700,000 from \$2,450,000 to \$3,150,000 and by extending the completion date from October 31, 2019 to June 30, 2020, effective upon Governor and Executive Council approval. 100% General Funds.

This agreement was originally approved by the Governor and Executive Council on November 8, 2017 (Item #21B) and subsequently amended on June 19, 2019 (Item #19).

Funds to support this request are anticipated to be available in the following account for State Fiscal Year 2020 upon the availability and continued appropriation of funds in the future operating budget, with authority to adjust amounts within the price limitation and adjust encumbrances between State Fiscal Years through the Budget Office, if needed and justified.

**05-95-92-922010-4117- HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVS, HHS: BEHAVIORAL HEALTH DIV, BUREAU OF MENTAL HEALTH SERVICES, CMH PROGRAM SUPPORT**

| State Fiscal Year | Class / Account | Class Title            | Job Number    | Current Budget     | Increased (Decreased) Amount | Revised Modified Budget |
|-------------------|-----------------|------------------------|---------------|--------------------|------------------------------|-------------------------|
| 2018              | 102-500731      | Contracts for Prog Svc |               | \$1,050,000        | \$0                          | \$0                     |
| 2019              | 102-500731      | Contracts for Prog Svc | 90072003      | \$1,050,000        | \$0                          | \$0                     |
| 2020              | 102-500731      | Contracts for Prog Svc | 90072003      | \$350,000          | \$700,000                    | \$1,050,000             |
|                   |                 |                        | <b>Total:</b> | <b>\$2,450,000</b> | <b>\$700,000</b>             | <b>\$3,150,000</b>      |

### **EXPLANATION**

The purpose of this request is to continue operating fourteen (14) Transitional Housing beds for adults who have severe mental illness or severe and persistent mental illness and are eligible for community mental health services and no longer meet the level of care provided by New Hampshire Hospital or Designated Receiving Facilities. These services were implemented to improve the State's mental health system pursuant to House Bill 517, Section 186 (III) (2017).

Approximately forty two (42) individuals will be served from July 1, 2019 through June 30, 2020.

The original agreement included language in the Exhibit C-1, Paragraph 3, that allows the Department to renew the contract for up to two (2) years, subject to the continued availability of funding, satisfactory performance of service, parties' written authorization and approval from the Governor and Executive Council. The Department is requesting to renew services for eight (8) months at this time.

Approval of this request will allow the Contractor to continue providing a transitional housing program for adults who have severe mental illness or severe and persistent illness and are eligible for community mental health services and no longer meet the level of care provided by New Hampshire Hospital or Designated Receiving Facilities. The fourteen (14) beds will provide a transitional housing program for adults in order to support and promote rehabilitation that will facilitate a transition to independent living in the community.

The program serves the clinical, medical, vocational, and residential needs of adults with mental illness. The services include: psychiatric services, medication management, clinical services, medical services, targeted case management, specialized and co-occurring treatment services, vocational and day treatment services, and support for community connectedness and family involvement.

The Contractor will provide quarterly data reports on the number of individuals admitted and discharged during the contract period, any waitlist times, where individuals were discharged, and what services were in place upon discharge. Reports will also include detail about residential treatment and support plans as well as ongoing discharge planning for each resident.

The Agreement includes requirements for the Contractor to submit ongoing financial reports. Financial reports will include program-level and organization-level profit and loss statements, cash equivalents, liabilities and assets, and new lending. The Department will review these reports and discuss any concerns with the Contractor on an ongoing basis, which is expected to lead to close monitoring of fiscal integrity.

Should the Governor and Executive Council not approve this request, the fourteen (14) bed community residence program would not be available to individuals in need of housing who are transitioning from NH Hospital or a Designated Receiving Facility to the community which, in turn, makes those beds available to individuals who are waiting in hospital emergency rooms for services across the State.

Area served: Statewide

Source of Funds: 100% General Funds

In the event that the General Funds become no longer available, additional General Funds will not be requested to support this program.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Jeffrey Meyers". The signature is written in a cursive style with a large initial "J" and "M".

Jeffrey A. Meyers  
Commissioner



**New Hampshire Department of Health and Human Services  
Transitional Housing & Community Residences**

**State of New Hampshire  
Department of Health and Human Services  
Amendment #2 to the Transitional Housing & Community Residences Contract**

This 2nd Amendment to the Transitional Housing & Community Residences contract (hereinafter referred to as "Amendment #2") is by and between the State of New Hampshire, Department of Health and Human Services (hereinafter referred to as the "State" or "Department") and Harbor Homes, Inc., (hereinafter referred to as "the Contractor"), a non-profit corporation with a place of business at 77 Northeastern Blvd. Nashua, NH 03062.

WHEREAS, pursuant to an agreement (the "Contract") approved by the Governor and Executive Council on November 8, 2017 (Item #21B) and as amended on June 19, 2019 (Item #19) the Contractor agreed to perform certain services based upon the terms and conditions specified in the Contract as amended and in consideration of certain sums specified; and

WHEREAS, the State and the Contractor have agreed to make changes to the scope of work, payment schedules or terms and conditions of the contract; and

WHEREAS, pursuant to Form P-37, General Provisions, Paragraph 18 and Exhibit C-1 Revisions to General Provisions, Paragraph 3, the Contract may be amended and extended upon written agreement of the parties and approval from the Governor and Executive Council; and

WHEREAS, the parties agree to extend the term of the agreement and increase the price limitation, and

WHEREAS, all terms and conditions of the Contract and prior amendments not inconsistent with this Amendment #2 remain in full force and effect; and

NOW THEREFORE, in consideration of the foregoing and the mutual covenants and conditions contained in the Contract and set forth herein, the parties hereto agree to amend as follows:

1. Form P-37 General Provisions, Block 1.7, Completion Date, to read:  
June 30, 2020.
2. Form P-37, General Provisions, Block 1.8, Price Limitation, to read:  
\$3,150,000.
3. Revise Section 5 Maintenance of Fiscal Integrity only, of Exhibit A, Amendment #1, Scope of Services, by replacing it in its entirety with the following:
  5. Maintenance of Fiscal Integrity
    - 5.1. In order to enable DHHS to evaluate the Contractor's fiscal integrity, the Contractor agrees to submit to DHHS monthly, the Balance Sheet, Profit and Loss Statement (total organization and program-level), and Cash Flow Statement for the Contractor. Program-level Profit and Loss Statement shall include all revenue sources and all related expenditures for that program. The program-level Profit and Loss Statement shall include a budget column allowing for budget to actual analysis. Outside of the program-level Profit and Loss Statement and budget to actual analysis, all other statements shall be reflective of the entire Partnership for Successful Living organization and shall be submitted on the same day the reports are submitted to the Board, but no later than the fourth Wednesday of the month. Additionally, the contractor will provide interim profit and loss statements for every program area, reported as of the 20<sup>th</sup> of the month, by the last day of every month. The Contractor will be evaluated on the following:

*[Handwritten Signature]*  
*[Handwritten Date: 9/10/19]*

**New Hampshire Department of Health and Human Services  
Transitional Housing & Community Residences**



**5.1.1. Days of Cash on Hand:**

- 5.1.1.1. Definition: The days of operating expenses that can be covered by the unrestricted cash on hand.
- 5.1.1.2. Formula: Cash, cash equivalents and short-term investments divided by total operating expenditures, less depreciation/amortization and in-kind plus principal payments on debt divided by days in the reporting period. The short-term investments as used above must mature within three (3) months and should not include common stock. Any amount of cash from a line of credit should be broken out separately.
- 5.1.1.3. Performance Standard: The Contractor shall have enough cash and cash equivalents to cover expenditures for a minimum of thirty (30) calendar days with no variance allowed.

**5.1.2. Current Ratio:**

- 5.1.2.1. Definition: A measure of the Contractor's total current assets available to cover the cost of current liabilities.
- 5.1.2.2. Formula: Total current assets divided by total current liabilities.
- 5.1.2.3. Performance Standard: The Contractor shall maintain a minimum current ratio of 1.5:1 with 10% variance allowed.

**5.1.3. Debt Service Coverage Ratio:**

- 5.1.3.1. Rationale: This ratio illustrates the Contractor's ability to cover the cost of its current portion of its long-term debt.
- 5.1.3.2. Definition: The ratio of Net Income to the year to date debt service.
- 5.1.3.3. Formula: Net Income plus Depreciation/Amortization Expense plus Interest Expense divided by year to date debt service (principal and interest) over the next twelve (12) months.
- 5.1.3.4. Source of Data: The Contractor's Monthly Financial Statements identifying current portion of long-term debt payments (principal and interest).
- 5.1.3.5. Performance Standard: The Contractor shall maintain a minimum standard of 1.2:1 with no variance allowed.

**5.1.4. Net Assets to Total Assets:**

- 5.1.4.1. Rationale: This ratio is an indication of the Contractor's ability to cover its liabilities.
- 5.1.4.2. Definition: The ratio of the Contractor's net assets to total assets.
- 5.1.4.3. Formula: Net assets (total assets less total liabilities) divided by total assets.
- 5.1.4.4. Source of Data: The Contractor's Monthly Financial Statements.
- 5.1.4.5. Performance Standard: The Contractor shall maintain a minimum ratio of .30:1, with a 20% variance allowed.

*AL*  
*9/16/18*



**New Hampshire Department of Health and Human Services  
Transitional Housing & Community Residences**

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- 5.1.5. Total Lines of Credit
  - 5.1.5.1. The contractor will provide a listing of every line of credit and amount outstanding for each line.
  - 5.1.5.2. The contractor will report on any new borrowing activities.
  - 5.1.5.3. The contractor will report on any instances of non-compliance with any loan covenant or agreement.
- 5.2. In the event that the Contractor does not meet either:
  - 5.2.1. The standard regarding Days of Cash on Hand and the standard regarding Current Ratio for two (2) consecutive months; or
  - 5.2.2. Three (3) or more of any of the Maintenance of Fiscal Integrity standards for three (3) consecutive months, or
  - 5.2.3. Does not meet the reporting timeframe, then
- 5.3. The Department may:
  - 5.3.1. Require that the Contractor meet with Department staff to explain the reasons that the Contractor has not met the standards.
  - 5.3.2. Require the Contractor to submit a comprehensive corrective action plan within thirty (30) calendar days of notification that 5.2.1 and/or 5.2.2 have not been met.
  - 5.3.3. Terminate the contract.
    - 5.3.3.1. If a corrective action plan is required, the Contractor shall update the corrective action plan at least every thirty (30) calendar days until compliance is achieved.
    - 5.3.3.2. The Contractor shall provide additional information to assure continued access to services as requested by the Department. The Contractor shall provide requested information in a timeframe agreed upon by both parties.
- 5.4. The Contractor shall inform the Department by phone and by email within twenty-four (24) hours of when any key Contractor staff learn of any actual or likely litigation, investigation, complaint, claim, or transaction that may reasonably be considered to have a material financial impact on and/or materially impact or impair the ability of the Contractor to perform under this Agreement with the Department.
- 5.5. The monthly Balance Sheet, Profit & Loss Statement, Cash Flow Statement, and all other financial reports shall be based on the accrual method of accounting and include the Contractor's total revenues and expenditures whether or not generated by or resulting from funds provided pursuant to this Agreement.
- 5.6. The Contractor shall inform the Department by phone and by email within five business days when any Executive Management, Board Officers, or Program Managers for DHHS contracts submits a resignation or leaves for any other reason.

Add Exhibit B-5, Amendment #2, Budget.

PK  
9/16/17

New Hampshire Department of Health and Human Services  
Transitional Housing & Community Residences



This amendment shall be upon the date of Governor and Executive Council approval.

IN WITNESS WHEREOF, the parties have set their hands as of the date written below,

State of New Hampshire  
Department of Health and Human Services

9/16/19  
Date

[Signature]  
Name: Katja Fox  
Title: Director

Harbor Homes, Inc.

9/16/19  
Date

[Signature]  
Name:  
Title:

Acknowledgement of Contractor's signature:

State of NH, County of Hillsborough on September 16, 2019, before the undersigned officer, personally appeared the person identified directly above, or satisfactorily proven to be the person whose name is signed above, and acknowledged that s/he executed this document in the capacity indicated above.

[Signature]  
Signature of Notary Public or Justice of the Peace

Wendy Nichols  
Name and Title of Notary or Justice of the Peace

My Commission Expires: 6/5/24





**New Hampshire Department of Health and Human Services  
Transitional Housing & Community Residences**

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The preceding Amendment, having been reviewed by this office, is approved as to form, substance, and execution.

OFFICE OF THE ATTORNEY GENERAL

9/16/19  
Date

*Catherine Pinos*  
Name: CATHERINE PINOS  
Title: Attorney

I hereby certify that the foregoing Amendment was approved by the Governor and Executive Council of the State of New Hampshire at the Meeting on: \_\_\_\_\_ (date of meeting)

OFFICE OF THE SECRETARY OF STATE

\_\_\_\_\_  
Date

\_\_\_\_\_  
Name:  
Title:

Exhibit B-5, Amendment #2  
Budget

New Hampshire Department of Health and Human Services

Contractor name Harbor Homes, Inc.

Budget Request for: Bureau of Behavioral Health, Transitional Housing Program

Budget Period: July 1, 2019 - June 30, 2020

| Line Item                               | Total Program Cost  |                   |                     | Contractor Share / Match |                  |                   | Funded by DHHS contract share |                   |                     |
|---|---------------------|-------------------|---------------------|--------------------------|------------------|-------------------|-------------------------------|-------------------|---------------------|
|   | Direct              | Indirect          | Total               | Direct                   | Indirect         | Total             | Direct                        | Indirect          | Total               |
| 1. Total Salary/Wages                   | \$ 986,084          | \$ 190,076        | \$ 1,176,160        | \$ 313,312               | \$ 72,813        | \$ 386,125        | \$ 672,772                    | \$ 117,264        | \$ 790,036          |
| 2. Employee Benefits                    | \$ 295,825          | \$ 57,023         | \$ 352,849          | \$ 93,994                | \$ 21,844        | \$ 115,838        | \$ 201,832                    | \$ 35,179         | \$ 237,011          |
| 3. Consultants                          | \$ -                | \$ -              | \$ -                | \$ -                     | \$ -             | \$ -              | \$ -                          | \$ -              | \$ -                |
| 4. Equipment:                           | \$ -                | \$ -              | \$ -                | \$ -                     | \$ -             | \$ -              | \$ -                          | \$ -              | \$ -                |
| Rental                                  | \$ 4,320            | \$ -              | \$ 4,320            | \$ -                     | \$ -             | \$ -              | \$ 4,320                      | \$ -              | \$ 4,320            |
| Repair and Maintenance                  | \$ 2,200            | \$ -              | \$ 2,200            | \$ 2,200                 | \$ -             | \$ 2,200          | \$ -                          | \$ -              | \$ -                |
| Purchase/Depreciation                   | \$ -                | \$ -              | \$ -                | \$ -                     | \$ -             | \$ -              | \$ -                          | \$ -              | \$ -                |
| 5. Supplies:                            | \$ -                | \$ -              | \$ -                | \$ -                     | \$ -             | \$ -              | \$ -                          | \$ -              | \$ -                |
| Educational                             | \$ 2,000            | \$ -              | \$ 2,000            | \$ 1,500                 | \$ -             | \$ 1,500          | \$ 500                        | \$ -              | \$ 500              |
| Lab                                     | \$ -                | \$ -              | \$ -                | \$ -                     | \$ -             | \$ -              | \$ -                          | \$ -              | \$ -                |
| Pharmacy                                | \$ 12,000           | \$ -              | \$ 12,000           | \$ 5,000                 | \$ -             | \$ 5,000          | \$ 7,000                      | \$ -              | \$ 7,000            |
| Medical                                 | \$ 1,200            | \$ -              | \$ 1,200            | \$ 1,200                 | \$ -             | \$ 1,200          | \$ -                          | \$ -              | \$ -                |
| Office                                  | \$ 1,800            | \$ -              | \$ 1,800            | \$ 1,800                 | \$ -             | \$ 1,800          | \$ -                          | \$ -              | \$ -                |
| 6. Travel                               | \$ 4,970            | \$ -              | \$ 4,970            | \$ 4,970                 | \$ -             | \$ 4,970          | \$ -                          | \$ -              | \$ -                |
| 7. Occupancy                            | \$ 50,400           | \$ -              | \$ 50,400           | \$ 40,767                | \$ -             | \$ 40,767         | \$ 9,633                      | \$ -              | \$ 9,633            |
| 8. Current Expenses                     | \$ -                | \$ -              | \$ -                | \$ -                     | \$ -             | \$ -              | \$ -                          | \$ -              | \$ -                |
| Telephone                               | \$ 5,100            | \$ -              | \$ 5,100            | \$ 5,100                 | \$ -             | \$ 5,100          | \$ -                          | \$ -              | \$ -                |
| Postage                                 | \$ 120              | \$ -              | \$ 120              | \$ 120                   | \$ -             | \$ 120            | \$ -                          | \$ -              | \$ -                |
| Subscriptions                           | \$ -                | \$ -              | \$ -                | \$ -                     | \$ -             | \$ -              | \$ -                          | \$ -              | \$ -                |
| Audit and Legal                         | \$ -                | \$ -              | \$ -                | \$ -                     | \$ -             | \$ -              | \$ -                          | \$ -              | \$ -                |
| Insurance                               | \$ 3,000            | \$ -              | \$ 3,000            | \$ 3,000                 | \$ -             | \$ 3,000          | \$ -                          | \$ -              | \$ -                |
| Board Expenses                          | \$ -                | \$ -              | \$ -                | \$ -                     | \$ -             | \$ -              | \$ -                          | \$ -              | \$ -                |
| 9. Software                             | \$ 1,200            | \$ -              | \$ 1,200            | \$ 1,200                 | \$ -             | \$ 1,200          | \$ -                          | \$ -              | \$ -                |
| 10. Marketing/Communications            | \$ -                | \$ -              | \$ -                | \$ -                     | \$ -             | \$ -              | \$ -                          | \$ -              | \$ -                |
| 11. Staff Education and Training        | \$ 3,790            | \$ -              | \$ 3,790            | \$ 3,790                 | \$ -             | \$ 3,790          | \$ -                          | \$ -              | \$ -                |
| 12. Subcontracts/Agreements             | \$ 28,600           | \$ -              | \$ 28,600           | \$ 28,600                | \$ -             | \$ 28,600         | \$ -                          | \$ -              | \$ -                |
| 13. Other (specific details mandatory): | \$ -                | \$ -              | \$ -                | \$ -                     | \$ -             | \$ -              | \$ -                          | \$ -              | \$ -                |
| Food                                    | \$ 18,000           | \$ -              | \$ 18,000           | \$ 18,000                | \$ -             | \$ 18,000         | \$ -                          | \$ -              | \$ -                |
| Client Assistance                       | \$ 3,000            | \$ -              | \$ 3,000            | \$ 1,500                 | \$ -             | \$ 1,500          | \$ 1,500                      | \$ -              | \$ 1,500            |
| Onboarding Expenses                     | \$ 1,000            | \$ -              | \$ 1,000            | \$ 1,000                 | \$ -             | \$ 1,000          | \$ -                          | \$ -              | \$ -                |
|   | \$ 47,329           | \$ -              | \$ 47,329           | \$ 47,329                | \$ -             | \$ 47,329         | \$ -                          | \$ -              | \$ -                |
| <b>TOTAL</b>                            | \$ <b>1,471,937</b> | \$ <b>247,100</b> | \$ <b>1,719,037</b> | \$ <b>574,381</b>        | \$ <b>94,657</b> | \$ <b>669,038</b> | \$ <b>897,556</b>             | \$ <b>152,443</b> | \$ <b>1,050,000</b> |

Indirect As A Percent of Direct

Contractor Initials *HL*  
Date *9/16/19*

**State of New Hampshire**  
**Department of State**

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that HARBOR HOMES, INC. is a New Hampshire Nonprofit Corporation registered to transact business in New Hampshire on February 15, 1980. I further certify that all fees and documents required by the Secretary of State's office have been received and is in good standing as far as this office is concerned.

Business ID: 62778

Certificate Number: 0004516965



IN TESTIMONY WHEREOF,

I hereto set my hand and cause to be affixed  
the Seal of the State of New Hampshire,

this 17th day of May A.D. 2019.

A handwritten signature in cursive script, appearing to read "William M. Gardner".

William M. Gardner  
Secretary of State

# CERTIFICATE OF VOTE

I, Ed McDonough, Asst. Treasurer, do hereby certify that:  
(Name of the elected Officer of the Agency; cannot be contract signatory)

1. I am a duly elected Officer of Harbor Homes, Inc.  
(Agency Name)

2. The following is a true copy of the resolution duly adopted at a meeting of the Board of Directors of the Agency duly held on 9/16/19:  
(Date)

RESOLVED: That the President + CEO  
(Title of Contract Signatory)

is hereby authorized on behalf of this Agency to enter into the said contract with the State and to execute any and all documents, agreements and other instruments, and any amendments, revisions, or modifications thereto, as he/she may deem necessary, desirable or appropriate.

3. The forgoing resolutions have not been amended or revoked, and remain in full force and effect as of the 16<sup>th</sup> day of September, 2019.  
(Date Amendment Signed)

4. Peter Kelleher is the duly elected President + CEO  
(Name of Contract Signatory) (Title of Contract Signatory)

of the Agency.

[Signature]  
(Signature of the Elected Officer)

STATE OF NEW HAMPSHIRE

County of Hillsborough

The forgoing instrument was acknowledged before me this 16<sup>th</sup> day of September, 2019.

By Ed McDonough  
(Name of Elected Officer of the Agency)

Wendy Nichols  
(Notary Public/Justice of the Peace)

(NOTARY SEAL)

Commission Expires: 6/5/24





# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
6/28/2019

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

|  |  |  |  |                       |
|--|--|--|--|-----------------------|
| <b>PRODUCER</b><br>Eaton & Berube Insurance Agency, Inc.<br>11 Concord Street<br>Nashua NH 03064 |  | <b>CONTACT NAME:</b> Kimberly Gutkunst<br><b>PHONE (A/C No. Ext):</b> 603-882-2766<br><b>E-MAIL ADDRESS:</b> kgutkunst@eatonberube.com |  | <b>FAX (A/C No.):</b> |
| <b>INSURED</b><br>Harbor Homes, Inc<br>77 Northeastern Boulevard<br>Nashua NH 03062              |  | <b>INSURER(S) AFFORDING COVERAGE</b>   |  | <b>NAIC #</b>         |
|  |  | <b>INSURER A:</b> Hanover Insurance  |  |                       |
|  |  | <b>INSURER B:</b> Philadelphia Insurance Companies   |  |                       |
|  |  | <b>INSURER C:</b> Eastern Alliance Insurance Group   |  |                       |
|  |  | <b>INSURER D:</b> Selective Insurance Group  |  | 14376                 |
|  |  | <b>INSURER E:</b>  |  |                       |
|  |  | <b>INSURER F:</b>  |  |                       |

**COVERAGES**      **CERTIFICATE NUMBER:** 688165884      **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

| INSR LTR    | TYPE OF INSURANCE   | ADDITIONAL INSURED | POLICY NUMBER                         | POLICY EFF (MM/DD/YYYY)          | POLICY EXP (MM/DD/YYYY)          | LIMITS   |
|-------------|---|--------------------|---------------------------------------|----------------------------------|----------------------------------|--|
| D           | <input checked="" type="checkbox"/> <b>COMMERCIAL GENERAL LIABILITY</b><br><input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR<br><input checked="" type="checkbox"/> Abuse<br>GEN'L AGGREGATE LIMIT APPLIES PER:<br><input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input checked="" type="checkbox"/> LOC<br>OTHER: | Y                  | S2288207                              | 7/1/2019                         | 7/1/2020                         | EACH OCCURRENCE \$ 1,000,000<br>DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000<br>MED EXP (Any one person) \$ 20,000<br>PERSONAL & ADV INJURY \$ 1,000,000<br>GENERAL AGGREGATE \$ 3,000,000<br>PRODUCTS - COMPROP AGG \$ 3,000,000<br>Prof (non-FTCA) \$ \$1,000,000<br>COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000<br>BODILY INJURY (Per person) \$<br>BODILY INJURY (Per accident) \$<br>PROPERTY DAMAGE (Per accident) \$<br>\$ |
| D           | <b>AUTOMOBILE LIABILITY</b><br><input type="checkbox"/> ANY AUTO<br><input type="checkbox"/> OWNED AUTOS ONLY <input checked="" type="checkbox"/> SCHEDULED AUTOS<br><input checked="" type="checkbox"/> HIRED AUTOS ONLY <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY<br><input type="checkbox"/> AUTOS ONLY   |                    | 306871                                | 7/1/2019                         | 7/1/2020                         | \$<br>\$<br>\$<br>\$<br>\$   |
| D           | <input type="checkbox"/> <b>UMBRELLA LIAB</b> <input checked="" type="checkbox"/> OCCUR<br><input type="checkbox"/> <b>EXCESS LIAB</b> <input type="checkbox"/> CLAIMS-MADE<br>DED    RETENTION \$  |                    | 306873                                | 7/1/2019                         | 7/1/2020                         | EACH OCCURRENCE \$ 10,000,000<br>AGGREGATE \$ 10,000,000<br>\$   |
| C           | <b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b><br>ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/ MEMBER EXCLUDED? (Mandatory in NH)<br>If yes, describe under DESCRIPTION OF OPERATIONS below  | Y/N<br>N/A         | 010000111752                          | 11/28/2018                       | 11/28/2019                       | <input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER<br>E.L. EACH ACCIDENT \$ 1,000,000<br>E.L. DISEASE - EA EMPLOYEE \$ 1,000,000<br>E.L. DISEASE - POLICY LIMIT \$ 1,000,000  |
| A<br>B<br>D | <b>Professional Liability</b><br><b>Management Liability</b><br><b>Crime</b>  |                    | L1VA966006<br>PHSD1258460<br>S2288207 | 7/1/2019<br>7/1/2019<br>7/1/2019 | 7/1/2020<br>7/1/2020<br>7/1/2020 | Professional ("Gap") \$1,000,000<br>O&O \$1,000,000<br>Employee Dishonesty \$510,000   |

**DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES** (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)  
Additional Named Insureds:  
Harbor Homes, Inc. - FID# 020351932  
Harbor Homes II, Inc.  
Harbor Homes III, Inc.  
Healthy at Homes, Inc. - FID# 043384080  
Milford Regional Counseling Service, Inc. - FID# 222512360  
Southern New Hampshire HIV/AIDS Task Force - FID# 020447280  
Welcoming Light, Inc. - FID# 020481648  
See Attached...

|   |   |
|---|---|
| <b>CERTIFICATE HOLDER</b><br><br>DHHS, State of NH<br>129 Pleasant Street<br>Concord NH 03301 | <b>CANCELLATION</b><br><br>SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.<br><br><b>AUTHORIZED REPRESENTATIVE</b><br> |
|---|---|



# ADDITIONAL REMARKS SCHEDULE

|   |           |  |
|---|-----------|--|
| AGENCY<br>Eaton & Berube Insurance Agency, Inc. |           | NAMED INSURED<br>Harbor Homes, Inc<br>77 Northeastern Boulevard<br>Nashua NH 03062 |
| POLICY NUMBER                                   |           |  |
| CARRIER   | NAIC CODE | EFFECTIVE DATE:  |

**ADDITIONAL REMARKS**

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,  
 FORM NUMBER: 25 FORM TITLE: CERTIFICATE OF LIABILITY INSURANCE

HH Ownership, Inc.  
 Greater Nashua Council on Alcoholism dba Keystone Hall -FID# 222558859  
 Boulder Point, LLC - Map 213/Lot 5.3, Boulder Point Drive, Plymouth, NH 03264

77 Northeastern Blvd  
Nashua, NH 03062  
www.harborhomes.org



Phone: 603-882-3616  
603-881-8436  
Fax: 603-595-7414

*A Beacon for the Homeless for Over 30 Years*



## **Mission Statement**

*To create and provide quality residential and supportive services for persons (and their families) challenged by mental illness and homelessness.*

### **A member of the Partnership for Successful Living**

A collaboration of six affiliated not-for-profit organizations providing southern New Hampshire's most vulnerable community members with access to housing, health care, education, employment and supportive services.  
www.nhpartnership.org

Harbor Homes • Healthy at Home • Keystone Hall • Milford Regional Counseling Services  
• Southern NH HIV/AIDS Task Force • Welcoming Light



**HARBOR HOMES, INC.**

Consolidated Financial Statements

For the Year Ended June 30, 2018

(With Independent Auditors' Report Thereon)

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Harbor Homes, Inc.

Additional Offices:  
Andover, MA  
Greenfield, MA  
Manchester, NH  
Ellsworth, ME

### **Report on the Financial Statements**

We have audited the accompanying consolidated financial statements of Harbor Homes, Inc. (a nonprofit organization), which comprise the consolidated statement of financial position as of June 30, 2018, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We did not audit the financial statements of Healthy at Home, Inc., whose statements reflect total assets constituting 1% of consolidated total assets at June 30, 2018, and total revenues constituting 5% of consolidated total revenues for the year then ended. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Healthy at Home, Inc., is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, based on our audit and the report of the other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Harbor Homes, Inc. as of June 30, 2018, and the changes in its net assets and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Report on Summarized Comparative Information**

We have previously audited Harbor Homes, Inc.'s fiscal year 2017 financial statements, including the fiscal year 2017 financial statements of the entities included in these consolidated financial statements (except for Healthy at Home, Inc. which was audited by other auditors who expressed an unmodified audit opinion on those audited financial statements), and we expressed unmodified audit opinions on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2017 is consistent, in all material respects, with the audited financial statements from which it has been derived.

### **Other Matters**

#### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Consolidating Statement of Financial Position and the Consolidating Statement of Activities are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing

and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2018 on our consideration of Harbor Homes, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Harbor Homes, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Harbor Homes Inc.'s internal control over financial reporting and compliance.

*Melanson Heath*

December 20, 2018

HARBOR HOMES, INC.

Consolidated Statement of Financial Position  
June 30, 2018  
(With Comparative Totals as of June 30, 2017)

|   | <u>2018</u>          | <u>2017</u>          |
|---|----------------------|----------------------|
| <b>ASSETS</b>                             |                      |                      |
| Current Assets:                           |                      |                      |
| Cash and cash equivalents                 | \$ 480,242           | \$ 754,353           |
| Restricted cash                           | 1,096,661            | 614,739              |
| Accounts receivable, net                  | 2,060,419            | 2,784,965            |
| Patient receivables, net                  | 1,301,048            | 1,079,605            |
| Promises to give                          | -                    | 8,000                |
| Investments                               | 192,731              | 493,543              |
| Inventory                                 | 123,078              | 67,277               |
| Other assets                              | 71,155               | 101,770              |
| Total Current Assets                      | <u>5,325,334</u>     | <u>5,904,252</u>     |
| Noncurrent Assets:                        |                      |                      |
| Property and equipment, net               | 30,968,341           | 30,353,542           |
| Deferred compensation plan assets         | 16,800               | -                    |
| Total Noncurrent Assets                   | <u>30,985,141</u>    | <u>30,353,542</u>    |
| Total Assets                              | <u>\$ 36,310,475</u> | <u>\$ 36,257,794</u> |
| <b>LIABILITIES AND NET ASSETS</b>         |                      |                      |
| Current Liabilities:                      |                      |                      |
| Lines of credit                           | \$ 1,285,423         | \$ 1,094,935         |
| Current portion of capital leases payable | -                    | 18,304               |
| Current portion of mortgages payable      | 496,608              | 450,736              |
| Accounts payable                          | 865,390              | 1,289,475            |
| Accrued expenses                          | 1,742,169            | 1,464,378            |
| Deferred revenue                          | 341,071              | 33,017               |
| Other liabilities                         | 12,077               | 5,582                |
| Total Current Liabilities                 | <u>4,742,738</u>     | <u>4,356,427</u>     |
| Long-Term Liabilities:                    |                      |                      |
| Security deposits                         | 68,918               | 67,636               |
| Deferred compensation plan liabilities    | 16,800               | -                    |
| Mortgages payable, tax credits            | 158,237              | 79,280               |
| Mortgages payable, net of current portion | 15,783,030           | 16,245,171           |
| Mortgages payable, deferred               | 8,571,209            | 7,618,496            |
| Total Long-Term Liabilities               | <u>24,598,194</u>    | <u>24,010,583</u>    |
| Total Liabilities                         | 29,340,932           | 28,367,010           |
| Unrestricted Net Assets                   | 6,851,238            | 7,561,606            |
| Temporarily Restricted Net Assets         | 118,305              | 329,178              |
| Total Net Assets                          | <u>6,969,543</u>     | <u>7,890,784</u>     |
| Total Liabilities and Net Assets          | <u>\$ 36,310,475</u> | <u>\$ 36,257,794</u> |

The accompanying notes are an integral part of these financial statements.

HARBOR HOMES, INC.

Consolidated Statement of Activities  
 For the Year Ended June 30, 2018  
 (With Comparative Totals for the Year Ended June 30, 2017)

|   | Unrestricted<br><u>Net Assets</u> | Temporarily<br>Restricted<br><u>Net Assets</u> | 2018<br><u>Total</u> | 2017<br><u>Total</u> |
|---|-----------------------------------|--|----------------------|----------------------|
| <b>Public Support and Revenue:</b>                      |                                   |  |                      |                      |
| <b>Public Support:</b>                                  |                                   |  |                      |                      |
| State and local grants                                  | \$ 11,380,392                     | \$ -   | \$ 11,380,392        | \$ 7,395,645         |
| Federal grants  | 7,496,411                         | 80,300   | 7,576,711            | 8,074,192            |
| Contributions   | 73,663                            | 613,018  | 686,681              | 1,044,621            |
| Other grants  | 217,794                           | 451,324  | 669,118              | 217,600              |
| Fundraising events, net                                 | 20,857                            | 28,097   | 48,954               | 33,283               |
| Net assets released from restriction                    | <u>1,383,612</u>                  | <u>(1,383,612)</u>                             | <u>-</u>             | <u>-</u>             |
| Total Public Support                                    | 20,572,729                        | (210,873)                                      | 20,361,856           | 16,765,341           |
| <b>Revenue:</b>   |                                   |  |                      |                      |
| Patient services revenues (other), net                  | 5,686,860                         | -  | 5,686,860            | 5,512,169            |
| Patient services revenues (FQHC), net                   | 3,664,163                         | -  | 3,664,163            | 2,430,161            |
| Department of Housing and<br>Urban Development programs | 3,429,882                         | -  | 3,429,882            | 3,420,327            |
| Veterans Administration programs                        | 2,213,701                         | -  | 2,213,701            | 2,160,799            |
| Contracted services                                     | 1,039,097                         | -  | 1,039,097            | 1,044,751            |
| Rent and service charges, net                           | 867,249                           | -  | 867,249              | 825,519              |
| Outside rent  | 555,551                           | -  | 555,551              | 432,905              |
| Fees for services                                       | 344,456                           | -  | 344,456              | 318,808              |
| Miscellaneous   | 177,075                           | -  | 177,075              | 27,768               |
| Investment income (loss)                                | <u>40,632</u>                     | <u>-</u>                                       | <u>40,632</u>        | <u>26,437</u>        |
| Total Revenue   | <u>18,018,666</u>                 | <u>-</u>                                       | <u>18,018,666</u>    | <u>16,199,644</u>    |
| Total Public Support and Revenue                        | 38,591,395                        | (210,873)                                      | 38,380,522           | 32,964,985           |
| <b>Expenses:</b>  |                                   |  |                      |                      |
| Program   | 33,423,301                        | -  | 33,423,301           | 27,777,021           |
| Administration  | 3,754,447                         | -  | 3,754,447            | 3,176,798            |
| Fundraising   | <u>667,731</u>                    | <u>-</u>                                       | <u>667,731</u>       | <u>670,846</u>       |
| Total Expenses  | <u>37,845,479</u>                 | <u>-</u>                                       | <u>37,845,479</u>    | <u>31,624,665</u>    |
| Change in net assets before depreciation                | 745,916                           | (210,873)                                      | 535,043              | 1,340,320            |
| Depreciation  | <u>(1,456,284)</u>                | <u>-</u>                                       | <u>(1,456,284)</u>   | <u>(1,354,446)</u>   |
| Change in net assets                                    | (710,368)                         | (210,873)                                      | (921,241)            | (14,126)             |
| Net Assets, Beginning of Year                           | <u>7,561,606</u>                  | <u>329,178</u>                                 | <u>7,890,784</u>     | <u>7,904,910</u>     |
| Net Assets, End of Year                                 | <u>\$ 6,851,238</u>               | <u>\$ 118,305</u>                              | <u>\$ 6,969,543</u>  | <u>\$ 7,890,784</u>  |

The accompanying notes are an integral part of these financial statements.

HARBOR HOMES, INC.

Consolidated Statement of Functional Expenses  
 For the Year Ended June 30, 2018  
 (With Comparative Totals for the Year Ended June 30, 2017)

|  | <u>Program</u>       | <u>Administration</u> | <u>Fundraising</u> | <u>2018<br/>Total</u> | <u>2017<br/>Total</u> |
|--|----------------------|-----------------------|--------------------|-----------------------|-----------------------|
| <b>Expenses:</b>                       |                      |                       |                    |                       |                       |
| Salaries and wages                     | \$ 14,520,100        | \$ 2,272,110          | \$ 435,102         | \$ 17,227,312         | \$ 14,123,846         |
| Client rental assistance               | 6,475,207            | -                     | -                  | 6,475,207             | 5,793,879             |
| Employee benefits                      | 1,822,234            | 291,863               | 43,725             | 2,157,822             | 1,516,722             |
| Contracted services                    | 1,930,543            | 67,920                | 5,586              | 2,004,049             | 2,134,126             |
| Occupancy                              | 1,753,278            | 176,775               | 4,022              | 1,934,075             | 1,733,130             |
| Payroll taxes                          | 1,157,347            | 171,856               | 34,646             | 1,363,849             | 1,059,527             |
| Client insurance assistance            | 923,931              | -                     | -                  | 923,931               | 459,578               |
| Operational supplies                   | 799,811              | 6,456                 | 219                | 806,486               | 354,235               |
| Grants and donations                   | 518,300              | 39,641                | 71,553             | 629,494               | 752,534               |
| Interest expense                       | 804,073              | 126,025               | 2,768              | 932,866               | 739,534               |
| Office expenses                        | 472,217              | 73,943                | 38,674             | 584,834               | 349,044               |
| Other client assistance                | 460,267              | 50                    | -                  | 460,317               | 123,926               |
| Retirement contributions               | 324,433              | 122,669               | 6,605              | 453,707               | 323,890               |
| Information technology                 | 253,023              | 47,632                | 3,505              | 304,160               | 602,080               |
| Client food and nutrition services     | 243,474              | 519                   | -                  | 243,993               | 217,641               |
| Travel                                 | 218,521              | 16,835                | 1,194              | 236,550               | 221,188               |
| Insurance                              | 152,556              | 10,724                | 228                | 163,508               | 251,962               |
| Professional fees                      | 119,833              | 51,595                | 6,426              | 177,854               | 163,910               |
| Miscellaneous                          | 137,963              | 66,459                | 1,393              | 205,815               | 127,572               |
| Legal fees                             | 29,722               | 81,685                | 226                | 111,633               | 122,421               |
| Accounting fees                        | 1,040                | 105,769               | -                  | 106,809               | 115,000               |
| Conferences, conventions, and meetings | 86,759               | 12,227                | 1,181              | 100,167               | 151,668               |
| Advertising and promotion              | 83,847               | 4,576                 | 9,979              | 98,402                | 24,842                |
| Client counseling and support services | 60,218               | 367                   | -                  | 60,585                | 106,044               |
| Staff expenses                         | 33,117               | 4,518                 | 699                | 38,334                | 10,830                |
| Membership dues                        | 20,772               | 2,233                 | -                  | 23,005                | 30,190                |
| Client medical assistance              | 20,715               | -                     | -                  | 20,715                | 15,346                |
| <b>Total Expenses</b>                  | <b>33,423,301</b>    | <b>3,754,447</b>      | <b>667,731</b>     | <b>37,845,479</b>     | <b>31,624,665</b>     |
| Depreciation                           | 1,337,587            | 114,639               | 4,058              | 1,456,284             | 1,354,446             |
| <b>Total Functional Expenses</b>       | <b>\$ 34,760,888</b> | <b>\$ 3,869,086</b>   | <b>\$ 671,789</b>  | <b>\$ 39,301,763</b>  | <b>\$ 32,979,111</b>  |

The accompanying notes are an integral part of these financial statements.

HARBOR HOMES, INC.

Consolidated Statement of Cash Flows  
For the Year Ended June 30, 2018  
(With Comparative Totals for the Year Ended June 30, 2017)

|  | <u>2018</u>         | <u>2017</u>         |
|--|---------------------|---------------------|
| <b>Cash Flows From Operating Activities:</b>   |                     |                     |
| Change in net assets   | \$ (921,241)        | \$ (14,126)         |
| Adjustments to reconcile change in net assets to net cash from operating activities: |                     |                     |
| Depreciation and amortization  | 1,456,284           | 1,354,446           |
| (Increase) Decrease In:  |                     |                     |
| Accounts receivable  | 724,546             | (1,304,307)         |
| Patient receivables  | (221,443)           | (242,996)           |
| Promises to give   | 8,000               | (8,000)             |
| Inventory  | (55,801)            | (67,277)            |
| Other assets   | 30,615              | 76,667              |
| Increase (Decrease) In:  |                     |                     |
| Accounts payable   | (424,085)           | 792,902             |
| Accrued expenses   | 277,791             | 381,422             |
| Deferred revenue   | 308,054             | 5,739               |
| Other liabilities  | 6,495               | (257,701)           |
| Net Cash Provided by Operating Activities  | <u>1,189,215</u>    | <u>716,769</u>      |
| <b>Cash Flows From Investing Activities:</b>   |                     |                     |
| Security deposits  | 1,282               | 25,993              |
| Purchase of fixed assets   | (2,071,083)         | (640,938)           |
| Sale of investments  | 300,812             | (340,897)           |
| Net Cash Used by Investing Activities  | <u>(1,768,989)</u>  | <u>(955,842)</u>    |
| <b>Cash Flows From Financing Activities:</b>   |                     |                     |
| Borrowings from lines of credit, net   | 190,488             | 807,868             |
| Payments on capital leases   | (18,304)            | (43,127)            |
| Proceeds from long-term borrowings   | 1,007,713           | 200,000             |
| Payments on long-term borrowings   | (471,269)           | (422,991)           |
| Proceeds from tax credits  | 100,000             | -                   |
| Payments on tax credits  | (21,043)            | (21,043)            |
| Net Cash Provided by Financing Activities  | <u>787,585</u>      | <u>520,707</u>      |
| Net Increase in Cash and Cash Equivalents  | 207,811             | 281,634             |
| Cash, Cash Equivalents, and Restricted Cash, Beginning of Year                       | <u>1,369,092</u>    | <u>1,087,458</u>    |
| Cash, Cash Equivalents, and Restricted Cash, End of Year                             | <u>\$ 1,576,903</u> | <u>\$ 1,369,092</u> |
| <b>Supplemental disclosures of cash flow information:</b>                            |                     |                     |
| Interest paid  | <u>\$ 932,866</u>   | <u>\$ 660,327</u>   |
| Non-cash financing activities  | <u>\$ -</u>         | <u>\$ 4,950,000</u> |

The accompanying notes are an integral part of these financial statements.

## HARBOR HOMES, INC.

### Notes to the Consolidated Financial Statements

#### 1. Organization:

The consolidated financial statements of Harbor Homes, Inc. include the following related entities. All inter-entity transactions have been eliminated. Unless otherwise noted, these consolidated entities are hereinafter referred to as the "Organization".

**Harbor Homes, Inc.** - Creates and provides quality residential and supportive services for persons (and their families) challenged by mental illness and/or homelessness in the State of New Hampshire. Programs include mainstream housing, permanent housing, transitional housing, and emergency shelter, as well as comprehensive support services that include behavioral healthcare, peer support programs, job training, a paid employment program, and social and educational activities. Harbor Homes, Inc. also runs a health care clinic that is a Federally Qualified Health Center (FQHC) offering primary medical services to the homeless and/or low-income individuals.

**Harbor Homes Plymouth, LLC** - A single-member, New Hampshire Limited Liability Company, created to develop and manage a new permanent supportive housing facility in Plymouth, New Hampshire (Boulder Point, LLC) for homeless veterans. Harbor Homes, Inc. is the sole member and the manager of Harbor Homes Plymouth, LLC.

**Boulder Point, LLC** - A New Hampshire Limited Liability Company, whose purpose is to acquire, own, develop, construct and/or rehabilitate, manage, and operate a new veterans housing project in Plymouth, New Hampshire. Harbor Homes Plymouth, LLC is a 0.01% investor member and the manager member.

**Harbor Homes II, Inc., Harbor Homes III, Inc., and HH Ownership, Inc.** - Provides residential services to the chronically mentally ill.

**Greater Nashua Council on Alcoholism** - Provides recovery support services which are evidence-based, gender-specific, and culturally competent, including residential, transitional housing, outpatient, intensive outpatient, family-based substance abuse services, pregnant and parenting women and children, and offender re-entry services initiative.

**Healthy at Home, Inc.** - Provides home healthcare services to residents of Nashua and surrounding communities and strives to enhance the lives of people with illness or injury through a cooperative relationship with the community, professional medical service providers, and associations that

serve people in need of healthcare. Homecare, rehabilitative, and private duty nursing services are provided in the individual's home setting.

**Welcoming Light, Inc.** – Provides residential services to the elderly and disabled and offers training for substance abuse and mental health issues and training for nonprofit agencies in New Hampshire.

**Southern New Hampshire HIV/Aids Task Force, Inc.** – Provides educational case management, mental health and alternative therapy assistance, housing assistance, food and nutritional guidance, substance abuse counseling, and other related support services to people in the Southern New Hampshire region infected with the HIV/Aids virus.

**Milford Regional Counseling, Inc.** – Operates a regional counseling center serving the Greater Souhegan Valley area and provides counseling, guidance, and consultation to individuals, groups, children, adults, and families.

## 2. Significant Accounting Policies:

### *Comparative Financial Information*

The accompanying financial statements include certain prior-year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with Accounting Principles Generally Accepted in the United States of America (GAAP). Accordingly, such information should be read in conjunction with the audited financial statements for the year ended June 30, 2017, from which the summarized information was derived.

### *Cash and Cash Equivalents*

All cash and highly liquid financial instruments with original maturities of three months or less, and which are neither held for nor restricted by donors for long-term purposes, are considered to be cash and cash equivalents.

### *Accounts Receivable, Net*

Accounts receivable consist primarily of noninterest-bearing amounts due for services and programs. The allowance for uncollectable accounts receivable is based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Accounts receivable are written off when deemed uncollectable.

### ***Patient Receivables, Net***

Patient receivables relate to health care services provided by the Organization's Federally Qualified Health Care Center. Additions to the allowance for doubtful accounts result from the provision for bad debts. Accounts written off as uncollectible are deducted from the allowance for doubtful accounts. The amount of the allowance for doubtful accounts is based upon management's assessment of historical and expected net collections, business and economic conditions, trends in Medicare and Medicaid health care coverage, and other indicators.

For receivables associated with services provided to patients who have third-party coverage, which includes patients with deductible and copayment balances due for which third-party coverage exists for part of the bill, the Organization analyzes contractually due amounts and provides an allowance for doubtful collections and a provision for doubtful collections, if necessary. For receivables associated with self-pay patients, the Organization records a significant provision for doubtful collections in the period of service on the basis of its past experience, which indicates that many patients are unable to pay the portion of their bill for which they are financially responsible. The difference between the billed rates and the amounts actually collected after all reasonable collections efforts have been exhausted is charged off against the allowance for doubtful collections.

### ***Inventory***

Inventory is comprised primarily of pharmacy items, and is stated at the lower of cost or net realizable value determined by the first-in, first-out method.

### ***Investments***

The Organization carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the Consolidated Statement of Financial Position. Unrealized gains and losses are included in the change in net assets in the accompanying Consolidated Statement of Activities.

### ***Property and Equipment***

Property and equipment additions over \$5,000 are recorded at cost, if purchased, and at fair value at the date of donation, if donated. Depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from 3 to 40 years, or in the case of capitalized leased assets or leasehold improvements, the lesser of the useful life of the asset or the lease term. When assets are sold or otherwise disposed of, the cost and related depreciation is removed, and any resulting gain or loss is included in the Consolidated Statement of Activities. Costs of maintenance and repairs

that do not improve or extend the useful lives of the respective assets are expensed.

The carrying values of property and equipment are reviewed for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment in fiscal year 2018.

### ***Net Assets***

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

**Unrestricted Net Assets** – Net assets available for use in general operations.

**Temporarily Restricted Net Assets** – Net assets subject to donor restrictions that may or will be met by expenditures or actions and/or the passage of time. Contributions are reported as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Consolidated Statement of Activities as net assets released from restrictions.

**Permanently Restricted Net Assets** – Net assets whose use is limited by donor-imposed restrictions that neither expire by the passage of time nor can be fulfilled or otherwise removed. The restrictions stipulate that resources be maintained permanently, but permit expending of the income generated in accordance with donor stipulations.

### ***Revenue and Revenue Recognition***

Revenue is recognized when earned. Program service fees and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed or expenditures are incurred, respectively.

### ***Patient Services Revenues, Net***

Patient services revenues, net is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered. Self-pay revenue is recorded at published charges with charitable allowances

deducted to arrive at net self-pay revenue. All other patient services revenue is recorded at published charges with contractual allowances deducted to arrive at patient services, net. Reimbursement rates are subject to revisions under the provisions of reimbursement regulations. Adjustments for such revisions are recognized in the fiscal year incurred. Included in third-party receivables are the outstanding uncompensated care pool payments.

### ***Charity Care***

The Organization provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Since the Organization does not pursue collection of amounts determined to qualify as charity care, these amounts are reported as deductions from revenue.

### ***Accounting for Contributions***

Contributions are recognized when received. All contributions are reported as increases in unrestricted net assets unless use of the contributed assets is specifically restricted by the donor. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in either temporarily restricted or permanently restricted net assets, consistent with the nature of the restriction. Unconditional promises with payments due in future years have an implied restriction to be used in the year the payment is due, and therefore are reported as temporarily restricted until the payment is due unless the contribution is clearly intended to support activities of the current fiscal year or is received with permanent restrictions. Conditional promises, such as matching grants, are not recognized until they become unconditional, that is, until all conditions on which they depend are substantially met.

### ***Gifts-in-Kind Contributions***

The Organization periodically receives contributions in a form other than cash or investments. Contributed property and equipment is recognized as an asset at its estimated fair value at the date of gift, provided that the value of the asset and its estimated useful life meets the Organization's capitalization policy. Donated use of facilities is reported as contributions and as expenses at the estimated fair value of similar space for rent under similar conditions. If the use of the space is promised unconditionally for a period greater than one year, the contribution is reported as a contribution and an unconditional promise to give at the date of gift, and the expense is reported over the term of use. Donated supplies are recorded as contributions at the date of gift and as expenses when the donated items are placed into service or distributed.

The Organization benefits from personal services provided by a substantial number of volunteers. Those volunteers have donated significant amounts of time and services in the Organization's program operations and in its fund-

raising campaigns. However, the majority of the contributed services do not meet the criteria for recognition in financial statements. Generally Accepted Accounting Principles allow recognition of contributed services only if (a) the services create or enhance nonfinancial assets or (b) the services would have been purchased if not provided by contribution, require specialized skills, and are provided by individuals possessing those skills.

### ***Grant Revenue***

Grant revenue is recognized when the qualifying costs are incurred for cost-reimbursement grants or contracts or when a unit of service is provided for performance grants. Grant revenue from federal agencies is subject to independent audit under the Office of Management and Budget's, *Uniform Grant Guidance*, and review by grantor agencies. The review could result in the disallowance of expenditures under the terms of the grant or reductions of future grant funds. Based on prior experience, the Organization's management believes that costs ultimately disallowed, if any, would not materially affect the financial position of the Organization.

### ***Functional Allocation of Expenses***

The costs of program and supporting services activities have been summarized on a functional basis in the Consolidated Statement of Activities. The Consolidated Statement of Functional Expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Administration expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the Organization.

Fundraising costs are expensed as incurred, even though they may result in contributions received in future years. Additionally, advertising costs are expensed as incurred.

### ***Change in Net Assets Before Depreciation***

Due to the significance of depreciation expense that is included in the Organization's change in net assets, the change in net assets before depreciation has been provided in the Consolidated Statement of Activities.

### ***Income Taxes***

The entities included in these consolidated financial statements (with the exception of Harbor Homes Plymouth, LLC and Boulder Point, LLC) have been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Internal Revenue Code (IRC) Section 501(a) as organizations described in IRC Section 501(c)(3), qualify for charitable

contribution deductions, and have been determined not to be private foundations. A Return of Organization Exempt from Income Tax (Form 990), is required to be filed with the IRS for each entity. In addition, net income that is derived from business activities that are unrelated to an entity's exempt purpose is subject to income tax. In fiscal year 2018, Harbor Homes, Inc. and Milford Regional Counseling Services, Inc. were subject to unrelated business income tax and filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

Harbor Homes Plymouth, LLC is a single-member, New Hampshire Limited Liability Company, with Harbor Homes, Inc. as its sole member. Harbor Homes Plymouth, LLC has elected to be treated as a corporation.

Boulder Point, LLC is a New Hampshire Limited Liability Company and has elected to be treated as a partnership.

### ***Estimates***

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and those differences could be material.

### ***Financial Instruments and Credit Risk***

Deposit concentration risk is managed by placing cash with financial institutions believed to be creditworthy. At times, amounts on deposit may exceed insured limits. To date, no losses have been experienced in any of these accounts. Credit risk associated with receivables is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from governmental agencies and entities supportive of the Organization's mission. Investments are monitored regularly by the Organization. Although the fair values of investments are subject to fluctuation on a year-to-year basis, the Organization believes that its investment strategies are prudent for the long-term welfare of the Organization.

### ***Fair Value Measurements and Disclosures***

Certain assets and liabilities are reported at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly

to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that are accessible at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset or liability. In these situations, inputs are developed using the best information available in the circumstances.

When available, the Organization measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. However, Level 1 inputs are not available for many of the assets and liabilities that the Organization is required to measure at fair value (for example, unconditional contributions receivable and in-kind contributions).

The primary uses of fair value measures in the Organization's financial statements are:

- Initial measurement of noncash gifts, including gifts of investment assets and unconditional contributions receivable.
- Recurring measurement of investments – Note 4.
- Recurring measurement of lines of credit – Note 9.
- Recurring measurement of mortgages payable – Notes 10 – 12.

The carrying amounts of cash, cash equivalents, restricted cash, receivables, inventory, other assets, accounts payable, accrued expenses, deferred revenue, and other liabilities, approximate fair value due to the short-term nature of the items.

### ***Reclassifications***

Certain accounts in the prior year comparative totals have been reclassified for comparative purposes to conform to the presentation in the current year consolidated financial statements.

### **3. Restricted Cash:**

Restricted cash at June 30, 2018 consists of escrow and reserve accounts which are held for various purposes, and are comprised of the following:

|                           |    |                  |   |
|---------------------------|----|------------------|---|
| Construction escrows      | \$ | 471,769          |   |
| Reserve for replacements  |    | 547,792          | * |
| Residual receipt deposits |    | 13,062           | * |
| Security deposits         |    | <u>64,038</u>    |   |
| Total                     | \$ | <u>1,096,661</u> |   |

\*Required by the Department of Housing and Urban Development.

### **4. Investments:**

Investments consist of the following at June 30, 2018:

|                   | <u>Fair Value</u> | <u>Level 1</u>   | <u>Level 3</u>    |
|-------------------|-------------------|------------------|-------------------|
| Equities          | \$ 19,426         | \$ 19,426        | \$ -              |
| Other investments | <u>173,305</u>    | <u>-</u>         | <u>173,305</u>    |
| Total             | \$ <u>192,731</u> | \$ <u>19,426</u> | \$ <u>173,305</u> |

|                                 | Fair Value<br>Measurements<br>Using Significant<br>Unobservable Inputs<br>Level 3 |
|---------------------------------|---|
|                                 | <u>Other Investments</u>  |
| Beginning Balance, July 1, 2017 | \$ 161,946  |
| Additions                       | 11,359  |
| Reductions                      | -   |
| Transfers in to Level 3         | -   |
| Ending Balance, June 30, 2018   | <u>\$ 173,305</u>   |

**5. Accounts Receivable, Net:**

Accounts receivable at June 30, 2018 consist of the following:

|                   | <u>Receivable</u>   | <u>Allowance</u>   | <u>Net</u>          |
|-------------------|---------------------|--------------------|---------------------|
| Grants            | \$ 1,497,960        | \$ -               | \$ 1,497,960        |
| Residents         | 59,701              | (39,280)           | 20,421              |
| Other             | 284,876             | -                  | 284,876             |
| Medicaid          | 246,632             | -                  | 246,632             |
| Pledges           | 8,000               | -                  | 8,000               |
| Security deposits | <u>2,530</u>        | <u>-</u>           | <u>2,530</u>        |
| Total             | <u>\$ 2,099,699</u> | <u>\$ (39,280)</u> | <u>\$ 2,060,419</u> |

**6. Patient Receivables, Net:**

Patient receivables, related to the Organization's Federally Qualified Health Care Center, consists of the following at June 30, 2018:

|          | <u>Receivable</u>   | <u>Allowance</u>    | <u>Net</u>          |
|----------|---------------------|---------------------|---------------------|
| Medicaid | \$ 811,024          | \$ (58,810)         | \$ 752,214          |
| Medicare | 235,566             | (85,358)            | 150,208             |
| Other    | <u>767,453</u>      | <u>(368,827)</u>    | <u>398,626</u>      |
| Total    | <u>\$ 1,814,043</u> | <u>\$ (512,995)</u> | <u>\$ 1,301,048</u> |

7. **Property, Equipment, and Depreciation:**

A summary of the major components of property and equipment as of June 30, 2018 is presented below:

|                                    |    |                          |
|------------------------------------|----|--------------------------|
| Land                               | \$ | 4,338,288                |
| Land improvements                  |    | 36,394                   |
| Buildings                          |    | 27,785,977               |
| Building improvements              |    | 7,031,206                |
| Software                           |    | 840,669                  |
| Vehicles                           |    | 404,192                  |
| Furniture, fixtures, and equipment |    | 725,786                  |
| Dental equipment                   |    | 150,405                  |
| Medical equipment                  |    | 58,022                   |
| Construction in progress           |    | <u>1,292,454</u>         |
| Subtotal                           |    | 42,663,393               |
| Less: accumulated depreciation     |    | <u>(11,695,052)</u>      |
| Total                              | \$ | <u><u>30,968,341</u></u> |

Depreciation expense for the year ended June 30, 2018 totaled \$1,456,284.

8. **Accrued Expenses:**

Accrued expenses at June 30, 2018 include the following:

|                           |    |                         |
|---------------------------|----|-------------------------|
| Mortgage interest         | \$ | 84,503                  |
| Payroll and related taxes |    | 827,156                 |
| Compensated absences      |    | 784,710                 |
| Other                     |    | <u>45,800</u>           |
| Total                     | \$ | <u><u>1,742,169</u></u> |

9. **Lines of Credit:**

At June 30, 2018, the Organization had the following lines of credit available:

**Harbor Homes, Inc.** - \$1,000,000 of credit available from TD Bank, N. A. due October 31, 2018, secured by all business assets. The Organization is required, at a minimum, to make monthly interest payments to TD Bank, N. A. at the bank's base rate plus 1% adjusted daily. As of June 30, 2018, the credit line had an outstanding balance of \$261,746 at an interest rate of 6.00%.

**Harbor Homes, Inc.** - \$500,000 line of credit available from TD Bank, N. A. due October 31, 2018, secured by all business assets. The Organization is required, at a minimum, to make monthly interest payments to TD Bank, N. A. at the bank's base rate plus 1% adjusted daily. As of June 30, 2018, the credit line had an outstanding balance of \$440,462 at an interest rate of 6.00%.

**Greater Nashua Council on Alcoholism** - \$750,000 line of credit available from Merrimack County Savings Bank, due on demand, and secured by all business assets. The Organization is required, at a minimum, to make monthly interest payments at the Wall Street Journal Prime Rate plus 1.00% (6.00% at June 30, 2018) to Merrimack County Savings Bank. As of June 30, 2018, the credit line had an outstanding balance of \$348,779.

**Healthy at Home, Inc.** - \$250,000 of credit available from TD Bank, N. A., due October 31, 2018, secured by all business assets. The interest rate is the Wall Street Journal Prime Rate plus 1% (6.00% at June 30, 2018). The outstanding balance on the line of credit was \$234,436 at June 30, 2018.

Lines of credit are categorized in the fair value hierarchy as Level 2.

**10. Mortgages Payable, Tax Credits:**

Mortgages payable, tax credits consist of mortgages payable by Harbor Homes, Inc. to the Community Development Finance Authority through the Community Development Investment Program, payable through the sale of tax credits to donor organizations, maturing in 2020, secured by real property located at 59 Factory Street in Nashua, NH. This amount is amortized over ten years at zero percent interest. The amount due at June 30, 2018 is \$58,237.

Mortgages payable, tax credits also includes \$100,000 of Low Income Housing Tax Credits (LIHTC) to Boulder Point, LLC.

Mortgages payable, tax credits are categorized in the fair value hierarchy as Level 2.

**11. Mortgages Payable:**

Mortgages payable as of June 30, 2018 consisted of the following:

|    | <u>Principal Balance</u> | <u>Payment Amount</u>                     | <u>Payment Frequency</u> | <u>Interest Rate</u> | <u>Maturity</u> | <u>Property/Security</u>                   |
|----|--------------------------|---|--------------------------|----------------------|-----------------|--|
| \$ | 3,653,055                | \$ 19,635                                 | Monthly                  | 4.00%                | 09/15/42        | 615 Amherst Street in Nashua, NH           |
|    | 3,375,000                | -   | Interest only            | 4.00%                | 02/28/19        | 75-77 Northeastern Boulevard in Nashua, NH |
|    | 1,146,876                | 7,879                                     | Monthly                  | 6.77%                | 12/05/33        | 335 Somerville Street in Manchester, NH    |
|    | 1,125,000                | -   | Interest only            | 6.00%                | 11/22/18        | 75-77 Northeastern Boulevard in Nashua, NH |
|    | 1,118,886                | 6,193                                     | Monthly                  | 4.57%                | 12/05/33        | 335 Somerville Street in Manchester, NH    |
|    | 1,041,850                | 7,768                                     | Monthly                  | 7.05%                | 10/01/40        | 59 Factory Street in Nashua, NH            |
|    | 631,152                  | 5,126                                     | Monthly                  | 6.97%                | 12/12/36        | 46 Spring Street in Nashua, NH             |
|    | 602,012                  | 5,324                                     | Monthly                  | 4.38%                | 08/12/30        | 45 High Street in Nashua, NH               |
|    | 584,714                  | 3,996                                     | Monthly                  | 4.75%                | 12/12/36        | 46 Spring Street in Nashua, NH             |
|    | 443,434                  | 2,692                                     | Monthly                  | 4.75%                | 10/01/40        | 59 Factory Street in Nashua, NH            |
|    | 374,102                  | 5,276                                     | Monthly                  | 9.25%                | 12/01/26        | Allids Street in Nashua, NH                |
|    | 348,728                  | 5,387                                     | Monthly                  | 4.75%                | 03/29/21        | 14 Maple Street in Nashua, NH              |
|    | 272,543                  | 2,077                                     | Monthly                  | 4.83%                | 06/29/35        | 189 Kinsley Street in Nashua, NH           |
|    | 256,339                  | 3,369                                     | Monthly                  | 9.28%                | 01/01/28        | Chestnut Street in Nashua, NH              |
|    | 243,747                  | 1,425                                     | Monthly                  | 4.75%                | 04/06/42        | 45 High Street in Nashua, NH               |
|    | 214,679                  | 1,731                                     | Monthly                  | 7.00%                | 09/28/36        | 7 Trinity Street in Claremont, NH          |
|    | 192,497                  | 3,184                                     | Monthly                  | 9.25%                | 05/01/25        | North Main Street in Nashua, NH            |
|    | 154,223                  | 3,419                                     | Monthly                  | 1.00%                | 04/05/22        | Mobile van                                 |
|    | 150,933                  | 3,419                                     | Monthly                  | 1.00%                | 03/05/22        | 615 Amherst Street in Nashua, NH           |
|    | 109,834                  | 1,144                                     | Monthly                  | 4.64%                | 11/10/29        | 24 Mulberry Street in Nashua, NH           |
|    | 98,762                   | 2,385                                     | Monthly                  | 9.25%                | 08/01/22        | 3 Winter Street in Nashua, NH              |
|    | 90,208                   | 779                                       | Monthly                  | 4.32%                | 04/11/37        | 4 New Haven Drive, Unit 202 in Nashua, NH  |
|    | 55,000                   | -   | Interest only            | 3.08%                | 10/31/19        | Boulder Point Drive in Plymouth, NH        |
|    | 45,227                   | 299                                       | Monthly                  | 3.89%                | 10/01/35        | 59 Factory Street in Nashua, NH            |
|    | <u>20,058</u>            | 1,552                                     | Monthly                  | 4.50%                | 07/13/19        | 15 Union Street in Milford, NH             |
| \$ | 16,348,859               | Subtotal                                  |                          |                      |                 |  |
|    | (69,221)                 | Less debt issuance costs                  |                          |                      |                 |  |
|    | <u>(496,608)</u>         | Less amount due within one year           |                          |                      |                 |  |
| \$ | <u>15,783,030</u>        | Mortgages payable, net of current portion |                          |                      |                 |  |

The following is a summary of future payments on the previously mentioned long-term debt.

| <u>Year</u> | <u>Amount</u>        |
|-------------|----------------------|
| 2019        | \$ 496,608           |
| 2020        | 504,104              |
| 2021        | 531,444              |
| 2022        | 543,121              |
| 2023        | 501,920              |
| Thereafter  | <u>13,771,662</u>    |
| Total       | <u>\$ 16,348,859</u> |

Mortgages payable are categorized in the fair value hierarchy as Level 2.

**12. Mortgages Payable, Deferred:**

The Organization has deferred mortgages outstanding at June 30, 2018 totaling \$8,571,209. These loans are interest free, and are not required to be repaid unless the Organization is in default with the terms of the loan agreements or, for certain loans, if an operating surplus occurs within that program.

Deferred mortgages payable at June 30, 2018 are as follows:

|   |                     |
|---|---------------------|
| City of Manchester:                               |                     |
| Somerville Street property                        | \$ <u>300,000</u>   |
| Total City of Manchester                          | 300,000             |
| City of Nashua:                                   |                     |
| Factory Street property                           | 580,000             |
| Spring Street property                            | 491,000             |
| Strawberry Bank condominiums                      | 80,000              |
| High Street fire system                           | <u>65,000</u>       |
| Total City of Nashua                              | 1,216,000           |
| Department of Housing and Urban Development:      |                     |
| Strawberry Bank condominiums                      | <u>436,400</u>      |
| Total Department of Housing and Urban Development | 436,400             |
| Federal Home Loan Bank (FHLB):                    |                     |
| Boulder Point property                            | 952,713             |
| Factory Street property                           | 400,000             |
| Somerville Street property                        | 400,000             |
| Spring Street property                            | 398,747             |
| Amherst Street property                           | <u>385,000</u>      |
| Total FHLB  | 2,536,460           |
| NHHFA:  |                     |
| Amherst Street property                           | 1,500,000           |
| Factory Street property                           | 1,000,000           |
| Spring Street property                            | 550,000             |
| Charles Street property                           | 32,349              |
| Somerville Street property                        | <u>1,000,000</u>    |
| Total NHHFA                                       | <u>4,082,349</u>    |
| Total Mortgages Payable, Deferred                 | <u>\$ 8,571,209</u> |

Deferred mortgages payable are categorized in the fair value hierarchy as Level 2.

**13. Temporarily Restricted Net Assets:**

Temporarily restricted net assets are available for the following purposes at June 30, 2018:

| <u>Purpose</u>  | <u>Amount</u>     |
|-----------------|-------------------|
| Special events  | \$ 40,224         |
| Housing         | 20,439            |
| Client services | 39,216            |
| Clinic          | 2,656             |
| Dental          | 10,000            |
| Miscellaneous   | <u>5,770</u>      |
| Total           | <u>\$ 118,305</u> |

Net assets are released from restrictions by incurring expenses satisfying the restricted purpose or by the passage of time.

**14. Patient Services Revenue (FQHC), Net:**

The Organization recognizes patient services revenue associated with services provided through its FQHC to patients who have Medicaid, Medicare, third-party payor, and managed care plans coverage on the basis of contractual rates for services rendered. For uninsured self-pay patients that do not qualify for charity care, the Organization recognizes revenue on the basis of its standard rates for services provided or on the basis of discounted rates if negotiated or provided by the Organization's policy. Charity care services are computed using a sliding fee scale based on patient income and family size. On the basis of historical experience, a significant portion of the Organization's uninsured patients will be unable or unwilling to pay for the services provided. Thus, the Organization records a provision for bad debts related to uninsured patients in the period the services are provided.

The Organization accepts patients regardless of their ability to pay. A patient is classified as a charity patient by reference to certain established policies, which define charity services as those costs for which no payment is anticipated. The Organization uses federally established poverty guidelines to assess the level of discount provided to the patient. The Organization is required to provide a full discount to patients with annual incomes at or below 100% of the poverty guidelines, but may charge a nominal copay. If the patient is unable to pay the copay, the amount is written off to charity care. All patients are charged in accordance with a sliding fee discount program based on household size and household income. No discounts may be provided to patients with incomes over 200% of federal poverty guidelines.

Patient services revenue (FQHC), net of provision for bad debts and contractual allowances and discounts, consists of the following:

|                         | 2018          |                        |                            | 2017                        |                             |
|-------------------------|---------------|------------------------|----------------------------|-----------------------------|-----------------------------|
|                         | Gross Charges | Contractual Allowances | Charitable Care Allowances | Net Patient Service Revenue | Net Patient Service Revenue |
| Medicaid                | \$ 1,788,985  | \$ (283,487)           | \$ -                       | \$ 1,505,498                | \$ 1,470,902                |
| Medicare                | 1,649,191     | (624,839)              | -                          | 1,024,352                   | 284,040                     |
| Third-party             | 1,597,970     | (528,963)              | -                          | 1,069,007                   | 560,456                     |
| Sliding fee/free care   | 443,680       | -                      | (440,720)                  | 2,960                       | 18,900                      |
| Self-pay                | 427,971       | -                      | (124,171)                  | 303,800                     | 301,645                     |
| Subtotal                | \$ 5,907,797  | \$ (1,437,289)         | \$ (564,891)               | 3,905,617                   | 2,635,943                   |
| Provision for bad debts |               |                        |                            | (241,454)                   | (205,782)                   |
| Total                   |               |                        |                            | \$ 3,664,163                | \$ 2,430,161                |

**15. Client Rental Assistance:**

The Organization has multiple grants requiring the payment of rents on behalf of the consumer. Rent expense totaling approximately \$6.5 million is comprised of leases held in the Organization's name and the responsibility of the Organization, leases in consumers' names, or rents paid as client assistance.

**16. Plymouth NH Veterans Housing Project:**

The Plymouth NH Veterans Housing project is a planned permanent supportive housing development of twenty-five one-bedroom apartments for homeless veterans, and five two-bedroom apartments for low-income families located on Boulder Point Drive in Plymouth, New Hampshire. The New Hampshire Community Development Finance Authority has awarded Harbor Homes, Inc. \$700,000 in state tax credits for the project. Harbor Homes, Inc. is serving as the developer of the \$7 million project and will receive a developer fee, net of expenses in the amount of \$472,000. When completed, the 29,000 square foot apartment building will not only offer affordable, permanent supportive housing for in-need veterans, but staff from Harbor Homes, Inc. and White River Junction VA Medical Center will also provide essential supportive services and case management on-site.

**17. Deferred Compensation Plan:**

In fiscal year 2018, the Organization offered a 401(k) retirement plan. Upon meeting the eligibility criteria, employees can contribute a portion of their wages to the 401(k) plan. The Organization matches a percentage of the employee contribution based on years of service. Total matching contributions paid by the Organization for the year ended June 30, 2018 were \$454,960.

The Organization maintains a deferred compensation plan for certain directors (the "SA Plan"). The deferred compensation liability under the SA Plan was \$16,800 as of June 30, 2018 and was recorded as a long-term liability. This liability is offset by a corresponding long-term asset in the same amount.

**18. Concentration of Risk:**

The Organization received revenue as follows:

|   |    |             |
|---|----|-------------|
| Federal grants                              | \$ | 30%         |
| State, local, and other agencies            |    | 20%         |
| Patient services revenues (other), net      |    | 15%         |
| Patient services revenues (FQHC), net       |    | 10%         |
| Department of Housing and Urban Development |    | 9%          |
| Department of Veterans Affairs              |    | 6%          |
| All other support and revenue               |    | <u>10%</u>  |
| Total                                       | \$ | <u>100%</u> |

**19. Contingencies:**

The health care industry is subject to numerous laws and regulations of federal, state, and local governments. Compliance with these laws and regulations is subject to future government review and interpretation, as well as regulatory actions unknown or unasserted at this time. Government activity continues to increase with respect to investigations and allegations concerning possible violations by healthcare providers of fraud and abuse statutes and regulations, which could result in the imposition of significant fines and penalties, as well as significant repayments for patient service previously billed. Management is not aware of any material incidents of noncompliance; however, the possible future financial effects of this matter on the Organization, if any, are not presently determinable.

**20. Supplemental Disclosure of Cash Flow Information:**

The Organization has adopted Accounting Standard Update (ASU) No. 2016-18, *State of Cash Flows (Topic 203): Restricted Cash*. The amendments in this update require that the Consolidated Statement of Cash Flows explain the change during the fiscal year of restricted cash as part of the total of cash and cash equivalents.

The following table provides a reconciliation of cash and cash equivalents, and restricted cash reported in the Consolidated Statement of Financial

Position to the same such amounts reported in the Consolidated Statement of Cash Flows.

|  |                     |
|--|---------------------|
| Cash and Cash Equivalents  | \$ 480,242          |
| Restricted Cash  | <u>1,096,661</u>    |
| Total Cash, Cash Equivalents, and Restricted Cash<br>shown in the Consolidated Statement of Cash Flows | \$ <u>1,576,903</u> |

**21. Change in Accounting Principle:**

Effective July 1, 2017, the Organization adopted FASB ASU 2015-11, *Inventory (Topic 330): Simplifying the Measurement of Inventory*, which simplifies the subsequent measurement of inventory by replacing the lower of cost or market test with a lower of cost or net realizable value test. Net realizable value is defined as estimated selling price in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation. Prior to fiscal year 2018, the Organization reported inventory at the lower of cost or market. This guidance is applied prospectively as determined by the standard. There is no prior year or current year effect to the financial statements as a result of this change.

**22. Subsequent Events:**

Subsequent events have been evaluated through December 20, 2018, which is the date the financial statements were available to be issued.

On August 29, 2019, Harbor Homes, Inc. signed a \$400,000 short-term note with a local bank. Interest on the note is required at 2.5% above the bank's base rate for six months. The note is secured by two properties.

In October of 2018, Harbor Homes, Inc. sold two properties. The proceeds were used to pay down the short-term note in the amount of \$319,000.

Subsequent to year end, and upon completion of the Plymouth NH Veterans Housing project, additional Low Income Housing Tax Credits (LIHTC) funding of approximately \$2.6 million will be provided to Boulder Point, LLC.

The New Hampshire Community Development Finance Authority has awarded Harbor Homes, Inc. \$700,000 in state tax credits for the Plymouth NH Veterans Housing project which will be received in fiscal years 2019 and 2020 and will consist of mortgages payable totaling \$560,000 to the Community Development Investment Program.

**HARBOR HOMES, INC.**  
 Consolidating Statement of Financial Position  
 June 30, 2018  
 (With Comparative Totals as of June 30, 2017)

\*\* Includes Harbor Homes, Inc., Harbor Homes Plymouth, LLC, and Boulder Point, LLC

| ASSETS                                    | ** Harbor<br>Homes, Inc. | Harbor<br>Homes II, Inc. | Harbor<br>Homes III, Inc. | HH<br>Ownership, Inc. | Greater Nashua<br>Council on<br>Alcoholism | Healthy at<br>Homes, Inc. | Welcoming<br>Lists, Inc. | Southern NH<br>HIV/AIDS<br>Task Force, Inc. | Milford Regional<br>Counseling<br>Services, Inc. | Subtotal             | Eliminations          | 2018<br>Total        | 2017<br>Total        |
|---|--------------------------|--------------------------|---------------------------|-----------------------|--|---------------------------|--------------------------|---|--|----------------------|-----------------------|----------------------|----------------------|
| <b>Current Assets:</b>                    |                          |                          |                           |                       |  |                           |                          |   |  |                      |                       |                      |                      |
| Cash and cash equivalents                 | \$ 2,275                 | \$ 903                   | \$ 2,508                  | \$ 1,556              | \$ 315,659                                 | \$ 39,447                 | \$ 9,572                 | \$ 95,156                                   | \$ 13,166  | \$ 480,242           | \$ -                  | \$ 480,242           | \$ 754,353           |
| Restricted cash                           | 891,720                  | 28,332                   | 69,272                    | 13,256                | 29,752                                     | -                         | 64,329                   | -   | -  | 1,096,661            | -                     | 1,096,661            | 814,739              |
| Accounts receivable, net                  | 1,336,150                | 1,379                    | 553                       | -                     | 555,874                                    | -                         | 952                      | 152,267                                     | 13,244   | 2,060,419            | -                     | 2,060,419            | 2,784,965            |
| Patient receivables, net                  | 1,023,946                | -                        | -                         | -                     | -  | 277,102                   | -                        | -   | -  | 1,301,048            | -                     | 1,301,048            | 1,079,605            |
| Promises to give                          | -                        | -                        | -                         | -                     | -  | -                         | -                        | -   | -  | -                    | -                     | -                    | 8,000                |
| Due from related organizations            | 145,432                  | -                        | -                         | -                     | -  | -                         | -                        | -   | -  | -                    | -                     | -                    | -                    |
| Investments                               | 192,731                  | -                        | -                         | -                     | -  | -                         | -                        | -   | 2,320  | 147,752              | (147,752)             | -                    | -                    |
| Inventory                                 | 123,078                  | -                        | -                         | -                     | -  | -                         | -                        | -   | -  | 192,731              | -                     | 192,731              | 493,543              |
| Other assets                              | 53,481                   | -                        | -                         | -                     | -  | 16,824                    | -                        | -   | -  | 123,078              | -                     | 123,078              | 87,277               |
| <b>Total Current Assets</b>               | <b>3,768,813</b>         | <b>30,614</b>            | <b>72,333</b>             | <b>14,812</b>         | <b>901,285</b>                             | <b>333,473</b>            | <b>74,653</b>            | <b>248,173</b>                              | <b>28,730</b>                                    | <b>5,473,068</b>     | <b>(147,752)</b>      | <b>5,325,334</b>     | <b>5,904,252</b>     |
| <b>Noncurrent Assets:</b>                 |                          |                          |                           |                       |  |                           |                          |   |  |                      |                       |                      |                      |
| Property and equipment, net               | 24,214,377               | 320,659                  | 200,980                   | 311,803               | 5,805,937                                  | 12,581                    | 213,186                  | 6,536                                       | 152,282  | 31,038,341           | (70,000)              | 30,968,341           | 30,353,542           |
| Due from related organizations            | 1,403,059                | -                        | -                         | -                     | 298,004                                    | -                         | 121,479                  | 82,988                                      | -  | 1,873,530            | (1,873,530)           | -                    | -                    |
| Deferred compensation plan assets         | 18,800                   | -                        | -                         | -                     | -  | -                         | -                        | -   | -  | 18,800               | -                     | 18,800               | -                    |
| Prepaid land lease                        | 285,000                  | -                        | -                         | -                     | -  | -                         | -                        | -   | -  | 285,000              | (285,000)             | -                    | -                    |
| <b>Total Noncurrent Assets</b>            | <b>25,919,236</b>        | <b>320,659</b>           | <b>200,980</b>            | <b>311,803</b>        | <b>5,871,941</b>                           | <b>12,581</b>             | <b>334,665</b>           | <b>89,524</b>                               | <b>152,282</b>                                   | <b>33,213,671</b>    | <b>(2,228,530)</b>    | <b>30,985,141</b>    | <b>30,353,542</b>    |
| <b>Total Assets</b>                       | <b>29,688,049</b>        | <b>\$ 351,273</b>        | <b>\$ 273,313</b>         | <b>\$ 326,615</b>     | <b>\$ 6,773,226</b>                        | <b>\$ 346,054</b>         | <b>\$ 409,518</b>        | <b>\$ 337,697</b>                           | <b>\$ 181,012</b>                                | <b>\$ 38,686,757</b> | <b>\$ (2,376,282)</b> | <b>\$ 36,310,475</b> | <b>\$ 36,257,794</b> |
| <b>LIABILITIES AND NET ASSETS</b>         |                          |                          |                           |                       |  |                           |                          |   |  |                      |                       |                      |                      |
| <b>Current Liabilities:</b>               |                          |                          |                           |                       |  |                           |                          |   |  |                      |                       |                      |                      |
| Lines of credit                           | \$ 702,208               | \$ -                     | \$ -                      | \$ -                  | \$ 348,779                                 | \$ 234,436                | \$ -                     | \$ -  | \$ -   | \$ 1,285,423         | \$ -                  | \$ 1,285,423         | \$ 1,094,935         |
| Current portion of capital leases payable | -                        | -                        | -                         | -                     | -  | -                         | -                        | -   | -  | -                    | -                     | -                    | 18,304               |
| Current portion of mortgages payable      | 281,658                  | 29,957                   | 17,444                    | -                     | 128,006                                    | -                         | 21,289                   | -   | 18,254   | 496,608              | -                     | 496,608              | 450,736              |
| Accounts payable                          | 731,227                  | 5,484                    | 2,005                     | 357                   | 45,128                                     | -                         | 3,526                    | 77,498                                      | 165  | 865,390              | -                     | 865,390              | 1,289,475            |
| Accrued expenses                          | 1,375,281                | 3,275                    | 1,853                     | 1,079                 | 214,127                                    | 109,260                   | 2,741                    | 27,289                                      | 7,264  | 1,742,169            | -                     | 1,742,169            | 1,464,376            |
| Due to related organizations              | 17,952                   | -                        | 5,781                     | 5,917                 | -  | 115,782                   | -                        | 2,320                                       | -  | 147,752              | (147,752)             | -                    | -                    |
| Deferred revenue                          | 821,395                  | -                        | -                         | -                     | -  | 4,678                     | -                        | -   | -  | 626,071              | (285,000)             | 341,071              | 33,017               |
| Other liabilities                         | 12,077                   | -                        | -                         | -                     | -  | -                         | -                        | -   | -  | 12,077               | -                     | 12,077               | 5,582                |
| <b>Total Current Liabilities</b>          | <b>3,741,798</b>         | <b>38,716</b>            | <b>27,083</b>             | <b>7,353</b>          | <b>736,040</b>                             | <b>464,154</b>            | <b>27,556</b>            | <b>107,107</b>                              | <b>25,683</b>                                    | <b>5,175,490</b>     | <b>(432,752)</b>      | <b>4,742,738</b>     | <b>4,356,427</b>     |
| <b>Long-Term Liabilities:</b>             |                          |                          |                           |                       |  |                           |                          |   |  |                      |                       |                      |                      |
| Due to related organizations              | 1,320,108                | 175,463                  | -                         | -                     | 27,012                                     | -                         | 291,480                  | -   | 59,467   | 1,873,530            | (1,873,530)           | -                    | -                    |
| Security deposits                         | 57,660                   | 4,018                    | 2,494                     | 1,317                 | -  | -                         | 1,079                    | -   | 2,150  | 68,918               | -                     | 68,918               | 87,636               |
| Deferred compensation plan liabilities    | 18,800                   | -                        | -                         | -                     | -  | -                         | -                        | -   | -  | 18,800               | -                     | 18,800               | -                    |
| Mortgages payable, tax credits            | 158,237                  | -                        | -                         | -                     | -  | -                         | -                        | -   | -  | 158,237              | -                     | 158,237              | 79,280               |
| Mortgages payable, net of current portion | 11,420,217               | 344,145                  | 238,895                   | -                     | 3,606,761                                  | -                         | 171,208                  | -   | 1,804  | 15,783,030           | -                     | 15,783,030           | 16,245,171           |
| Mortgages payable, deferred               | 6,189,809                | -                        | -                         | 516,400               | 1,885,000                                  | -                         | -                        | -   | -  | 8,571,209            | -                     | 8,571,209            | 7,818,496            |
| <b>Total Long-Term Liabilities</b>        | <b>19,142,831</b>        | <b>523,626</b>           | <b>241,389</b>            | <b>517,717</b>        | <b>5,518,773</b>                           | <b>-</b>                  | <b>463,787</b>           | <b>-</b>                                    | <b>63,621</b>                                    | <b>20,471,724</b>    | <b>(1,873,530)</b>    | <b>24,598,194</b>    | <b>24,010,583</b>    |
| <b>Total Liabilities</b>                  | <b>22,884,629</b>        | <b>562,342</b>           | <b>268,472</b>            | <b>525,070</b>        | <b>6,254,813</b>                           | <b>464,154</b>            | <b>491,323</b>           | <b>107,107</b>                              | <b>89,304</b>                                    | <b>31,647,214</b>    | <b>(2,306,282)</b>    | <b>29,340,932</b>    | <b>28,367,010</b>    |
| <b>Unrestricted Net Assets (Deficit)</b>  | <b>6,685,115</b>         | <b>(211,069)</b>         | <b>4,841</b>              | <b>(198,455)</b>      | <b>518,413</b>                             | <b>(118,100)</b>          | <b>(81,805)</b>          | <b>230,590</b>                              | <b>91,708</b>                                    | <b>6,921,238</b>     | <b>(70,000)</b>       | <b>6,851,238</b>     | <b>7,561,806</b>     |
| <b>Temporarily Restricted Net Assets</b>  | <b>118,305</b>           | <b>-</b>                 | <b>-</b>                  | <b>-</b>              | <b>-</b>                                   | <b>-</b>                  | <b>-</b>                 | <b>-</b>                                    | <b>-</b>   | <b>118,305</b>       | <b>-</b>              | <b>118,305</b>       | <b>329,178</b>       |
| <b>Total Net Assets</b>                   | <b>6,803,420</b>         | <b>(211,069)</b>         | <b>4,841</b>              | <b>(198,455)</b>      | <b>518,413</b>                             | <b>(118,100)</b>          | <b>(81,805)</b>          | <b>230,590</b>                              | <b>91,708</b>                                    | <b>7,039,543</b>     | <b>(70,000)</b>       | <b>6,969,543</b>     | <b>7,890,784</b>     |
| <b>Total Liabilities and Net Assets</b>   | <b>\$ 29,688,049</b>     | <b>\$ 351,273</b>        | <b>\$ 273,313</b>         | <b>\$ 326,615</b>     | <b>\$ 6,773,226</b>                        | <b>\$ 346,054</b>         | <b>\$ 409,518</b>        | <b>\$ 337,697</b>                           | <b>\$ 181,012</b>                                | <b>\$ 38,686,757</b> | <b>\$ (2,376,282)</b> | <b>\$ 36,310,475</b> | <b>\$ 36,257,794</b> |

See Independent Auditors' Report.

HARBOR HOMES, INC.

Consolidating Statement of Activities  
For the Year Ended June 30, 2018  
(With Comparative Totals for the Year Ended June 30, 2017)

\*\* Includes Harbor Homes, Inc., Harbor Homes Plymouth, LLC, and Boulder Point, LLC

|   | ** Harbor<br>Homes, Inc. | Harbor<br>Homes II, Inc. | Harbor<br>Homes III, Inc. | HH<br>Ownership, Inc. | Greater Nashua<br>Council on<br>Alcoholism | Healthy<br>at Home, Inc. | Welcoming<br>Light, Inc. | Southern NH<br>HIV/AIDS<br>Task Force, Inc. | Milford Regional<br>Counseling<br>Services, Inc. | Subtotal      | Eliminations | 2018<br>Total | 2017<br>Total |
|---|--------------------------|--------------------------|---------------------------|-----------------------|--|--------------------------|--------------------------|---|--|---------------|--------------|---------------|---------------|
| <b>Public Support and Revenue:</b>                      |                          |                          |                           |                       |  |                          |                          |   |  |               |              |               |               |
| Public Support:   |                          |                          |                           |                       |  |                          |                          |   |  |               |              |               |               |
| State and local grants                                  | \$ 9,833,151             | \$ -                     | \$ -                      | \$ -                  | \$ -                                       | \$ -                     | \$ -                     | \$ 1,547,241                                | \$ -   | \$ 11,380,392 | \$ -         | \$ 11,380,392 | \$ 7,395,845  |
| Federal grants  | 3,494,823                | -                        | -                         | -                     | 3,492,817                                  | -                        | -                        | 589,171                                     | -  | 7,578,711     | -            | 7,578,711     | 8,074,182     |
| Contributions   | 622,406                  | -                        | -                         | -                     | 2,231                                      | 3,622                    | 7,173                    | 33,884                                      | 17,365   | 886,681       | -            | 886,681       | 1,044,621     |
| Other grants  | 669,118                  | -                        | -                         | -                     | -  | -                        | -                        | -   | -  | 669,118       | -            | 669,118       | 217,600       |
| Fundraising events, net                                 | 39,196                   | -                        | -                         | -                     | -  | -                        | -                        | -   | -  | 48,954        | -            | 48,954        | 33,283        |
| Total Public Support                                    | 14,658,794               | -                        | -                         | -                     | 3,494,848                                  | 3,622                    | 7,173                    | 2,180,054                                   | 17,365   | 20,361,856    | -            | 20,361,856    | 16,765,341    |
| Revenue:  |                          |                          |                           |                       |  |                          |                          |   |  |               |              |               |               |
| Patient services revenues (other), net                  | 1,903,590                | -                        | -                         | -                     | 2,020,077                                  | 1,763,193                | -                        | -   | -  | 5,686,860     | -            | 5,686,860     | 5,512,169     |
| Patient services revenues (FQHC), net                   | 3,864,163                | -                        | -                         | -                     | -  | -                        | -                        | -   | -  | 3,864,163     | -            | 3,864,163     | 2,430,161     |
| Department of Housing and<br>Urban Development programs | 3,058,843                | 115,280                  | 104,663                   | 21,353                | -  | -                        | 129,743                  | -   | -  | 3,429,882     | -            | 3,429,882     | 3,420,327     |
| Veterans Administration programs                        | 2,213,701                | -                        | -                         | -                     | -  | -                        | -                        | -   | -  | 2,213,701     | -            | 2,213,701     | 2,160,799     |
| Contracted services                                     | 719,154                  | -                        | -                         | -                     | 298,483                                    | -                        | -                        | -   | -  | 1,039,097     | -            | 1,039,097     | 1,044,751     |
| Rent and service charges, net                           | 735,891                  | 41,301                   | 31,442                    | 21,600                | -  | -                        | 30,476                   | -   | 21,460   | 867,249       | -            | 867,249       | 825,519       |
| Outside rent  | 554,851                  | -                        | -                         | -                     | -  | -                        | 700                      | -   | 6,739  | 555,551       | -            | 555,551       | 432,905       |
| Fees for services                                       | 139,400                  | -                        | -                         | -                     | -  | -                        | 150                      | 36,188                                      | 168,720  | 344,456       | -            | 344,456       | 318,808       |
| Miscellaneous   | 198,608                  | -                        | -                         | -                     | 6,885                                      | -                        | 39,826                   | 1,856                                       | -  | 247,875       | (70,000)     | 177,875       | 27,768        |
| Investment income (loss)                                | 40,354                   | 7                        | 38                        | 5                     | 50   | -                        | 16                       | -   | -  | 40,632        | -            | 40,632        | 26,437        |
| Management fees, net                                    | 37,408                   | -                        | -                         | -                     | -  | -                        | -                        | -   | -  | -             | -            | -             | -             |
| Total Revenue   | 13,265,763               | 156,588                  | 136,143                   | 42,958                | 2,325,495                                  | 1,763,193                | 201,011                  | 38,004                                      | 196,919  | 18,126,974    | (37,408)     | 18,018,666    | 16,199,644    |
| Total Public Support and Revenue                        | 27,924,557               | 156,588                  | 136,143                   | 42,958                | 5,820,343                                  | 1,766,815                | 208,184                  | 2,218,058                                   | 214,284  | 38,487,930    | (107,408)    | 38,380,522    | 32,964,985    |
| Expenses:   |                          |                          |                           |                       |  |                          |                          |   |  |               |              |               |               |
| Program   | 23,954,854               | 134,424                  | 100,048                   | 35,840                | 5,051,627                                  | 1,832,128                | 145,743                  | 2,050,379                                   | 155,566  | 33,460,709    | (37,408)     | 33,423,301    | 27,777,021    |
| Administration  | 2,614,520                | 10,578                   | 7,850                     | 10,857                | 667,460                                    | 223,787                  | 21,316                   | 148,748                                     | 49,532   | 3,754,447     | -            | 3,754,447     | 3,176,798     |
| Fundraising   | 559,731                  | -                        | -                         | -                     | 82,259                                     | -                        | 14,066                   | 7,689                                       | 4,006  | 667,731       | -            | 667,731       | 670,846       |
| Total Expenses  | 27,129,205               | 145,000                  | 107,898                   | 46,497                | 5,801,346                                  | 2,055,915                | 181,125                  | 2,206,797                                   | 209,104  | 37,682,687    | (37,408)     | 37,645,479    | 31,624,665    |
| Change in net assets before depreciation                | 795,352                  | 11,588                   | 28,245                    | (3,539)               | 18,997                                     | (289,100)                | 27,059                   | 11,261                                      | 5,180  | 605,043       | (70,000)     | 535,043       | 1,340,320     |
| Depreciation  | 1,133,113                | 25,489                   | 21,386                    | 14,134                | 230,562                                    | 3,009                    | 25,571                   | 503   | 2,517  | 1,456,284     | -            | 1,456,284     | 1,354,446     |
| Change in net assets                                    | (337,761)                | (13,881)                 | 6,859                     | (17,673)              | (211,565)                                  | (292,109)                | 1,488                    | 10,758                                      | 2,663  | (851,241)     | (70,000)     | (921,241)     | (14,126)      |
| Net Assets (Deficit), Beginning of Year                 | 7,141,181                | (197,188)                | (2,018)                   | (180,782)             | 729,998                                    | 174,009                  | (83,293)                 | 219,832                                     | 89,045   | 7,890,784     | -            | 7,890,784     | 7,904,910     |
| Net Assets (Deficit), End of Year                       | \$ 6,803,420             | \$ (211,069)             | \$ 4,841                  | \$ (198,455)          | \$ 518,413                                 | \$ (118,100)             | \$ (81,805)              | \$ 230,590                                  | \$ 91,708  | \$ 7,039,543  | \$ (70,000)  | \$ 6,969,543  | \$ 7,890,784  |

See Independent Auditors' Report.

## CURRENT BOARD OF DIRECTORS LIST (12/1/18)

### Officers

Dan Sallet, Chair  
Trent Smith, Vice-Chair  
David Aponovich, Treasurer  
Jared Freilich, Asst. Treasurer  
Joel Jaffe, Secretary  
Laurie Goguen, Asst. Secretary

### Directors

Thomas I. Arnold, III  
Jack Balcom  
Vijay Bhatt  
Vince Chamberlain  
Laurie DesRochers  
Phil Duhaime  
Lynn King  
Ed McDonough  
Rick Plante

**PETER J. KELLEHER, CCSW, LICSW**

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**PROFESSIONAL EXPERIENCE**

- 2006-Present** President & CEO, Southern NH HIV Task Force
- 2002-Present** President & CEO, GNCA, Inc. Nashua, NH
- 1997-Present** President & CEO, Healthy At Home, Inc., Nashua, NH
- 1995-Present** President & CEO, Milford Regional Counseling Services, Inc., Milford, NH
- 1995-Present** President & CEO, Welcoming Light, Inc., Nashua, NH
- 1982-Present** President & CEO, Harbor Homes, Inc., Nashua, NH  
Currently employed as chief executive officer for nonprofit corporation (and affiliates) providing residential, supported employment, and social club services for persons with long-term mental illness and/or homeless. Responsible for initiation, development, and oversight of 33 programs comprising a \$10,000,000 operating budget; proposal development resulting in more than \$3,000,000 in grants annually; oversight of 330 management and direct care professionals.
- 2003-2006** Consultant  
Providing consultation and technical assistance throughout the State to aid service and mental health organizations
- 1980 - 1982** Real Estate Broker, LeVaux Realty, Cambridge, MA  
Successful sales and property management specialist.
- 1979 - 1980** Clinical Coordinator, Task Oriented Communities, Waltham, MA  
Established and provided comprehensive rehabilitation services to approximately 70 mentally ill/ mentally retarded clients. Hired, directly supervised, and trained a full-time staff of 20 residential coordinators. Developed community residences for the above clients in three Boston suburbs. Provided emergency consultation on a 24-hour basis to staff dealing with crisis management in six group homes and one sheltered workshop. Administrative responsibilities included some financial management, quality assurance, and other accountability to state authorities.
- 1978 - 1979** Faculty, Middlesex Community College, Bedford, MA  
Instructor for an introductory group psychotherapy course offered through the Social Work Department.
- 1977 - 1979** Senior Social Worker/Assistant Director, Massachusetts Tuberculosis Treatment Center II, a unit of Middlesex County Hospital, Waltham, MA  
Functioned as second in command and chief clinical supervisor for eight interdisciplinary team members, and implemented a six-month residential program for individuals afflicted with recurring tuberculosis and alcoholism. Provided group and individual therapy, relaxation training.
- 1976** Social Worker, Massachusetts Institute of Technology, Out-Patient Psychiatry, Cambridge, MA  
Employed in full-time summer position providing out patient counseling to individuals and groups of the MIT community.
- 1971 - 1976** Program Counselor/Supervisor, Massachusetts Institute of Technology, MIT/Wellesley College Upward Bound Program, Cambridge and Wellesley, MA  
Major responsibilities consisted of psycho educational counseling of Upward Bound students, supervision of tutoring staff, teaching, conducting evaluative research for program policy development.

## **EDUCATION**

---

1988-1991 Rivier College, Nashua, NH – Bachelor of Science, Accounting

## **OTHER ACHIEVEMENTS**

---

Licensed Certified Public Accountant in the State of New Hampshire  
Member of the New Hampshire Society of Certified Public Accountants  
Member of the American Institute of Certified Public Accountants

## **SOFTWARE EXPERIENCE**

---

Excel, Word, Powerpoint, Pro-Fx Tax software, Pro-Fx Trial balance software, Quickbooks, Peachtree, T-Value, various auditing software programs

Patricia A. Robitaille, CPA

## PROFILE

- 18 years experience in accounting/financial
- Management experience
- Diversified industry exposure
- Counselor and mentor
- Training experience
- Knowledge of multiple computer programs
- Excellent client support
- Tax preparation experience

## PROFESSIONAL EXPERIENCE

- June 2009 – Present      *Vice President of Finance*      Harbor Homes, Inc.
- Responsible for the finances of 9 related non-profit entities with revenues in excess \$22M
  - Directly responsible for budgeting, planning, cash management, grants and contracts falling under the business/accounting office
  - Reviews and analyzes the monthly, quarterly and annual financial reports
  - Analyzes results of cash flows, budget expenditures and grant restrictions
  - Assists the President/CEO with financial planning and capital projects
  - Responsible for the annual financial and retirement audits of all related entities
  - Reviews Federal 990 tax returns and state returns
  - Set up web based electronic timesheets
  - Implemented the conversion and installation of accounting and HR software
  - Prepares and reviews 941 quarterly returns, state unemployment returns
  - Oversees worker's compensation renewals, audit preparations, safety controls
  - Responsible for coordinating financing of two \$6M capital construction
- Jan. 2007 – Oct. 2008      *Audit Manager*      Ernst Young LLP, Manchester, NH
- Managed audits of private corporations with revenues up to \$200 million
  - Assisted as manager of audits for public corporations with revenues up to \$400 million
  - Reviewed and assisted preparation of financial statements, 10Q quarterly filings and 10K annual filings
  - Analyzed and reviewed internal control under Section 404 of the Sarbanes Oxley Act
  - Prepared management comments in conjunction with material weakness or significant deficiencies
- Jun. 1997 – Jan. 2007      *Audit Supervisor*      Melanson Heath & Company, P.C., Nashua, NH
- Supervise/train various teams for commercial, not-for-profit, and municipal audits and agreed upon procedures
  - Audit services include balance sheet reconciliation including inventory control
  - Preparation and presentation of financial statements
  - Preparation of management comment letters for internal quality improvement
  - Assist clients with all aspects of accounting

- Preparation of budgets and cash forecasting
- Consulting services to clients including maximization of profits
- Extensive corporate tax preparation experience

1993 - 1997     *Accounting/Office Manager*     Hammar Hardware Company, Nashua, NH

- Management of a five-person staff
- Oversee accounts receivable, accounts payable and general ledger reconciliation
- Responsible for inventory management, preparation for year-end audit and collaboration with external auditors
- Prepared monthly internal financial statements
- Responsible for payroll including quarterly and year-end reporting

#### EDUCATION

1988-1991     Rivier College, Nashua, NH - Bachelor of Science, Accounting

#### OTHER ACHIEVEMENTS

Licensed Certified Public Accountant in the State of New Hampshire  
 Member of the New Hampshire Society of Certified Public Accountants  
 Member of the American Institute of Certified Public Accountants

#### SOFTWARE EXPERIENCE

Excel, Word, PowerPoint, Pro-Fx Tax software, Pro-Fx Trial balance software, QuickBooks, Peachtree, T-Value, various auditing software programs, Sage Non-profit Accounting software, Sage MAS 90 accounting software.

# Vanessa J. Sarlo

## Objective

To obtain a position at an innovative non-profit organization that will allow me to use my excellent writing and editing skills combined with my sales, management and marketing experience to become a valuable attribute.

## Education

1999 - 2005\*      *B.A in English with a focus in Communications*      *University of New Hampshire*

Above average proficiency in Microsoft Office: Word, Excel, Outlook, Power Point; HTML, some Unix, and Windows 95, 98, 2000, NT, and XP OS; SEO Optimization; digital and manual photography; all office equipment and multi-line phone systems. Advanced Internet research skills.

## Work History

2000-Current      *Assist2Sell Buyers & Sellers Realty*      *Nashua, NH*  
*Sales and Marketing Manager/Licensed Real Estate Agent*

### Achievements as Marketing Director and Sales Manager:

- Responsible for running and maintaining many aspects of the company including: recruiting, hiring, training employees and sales agents, payroll, creating and implementing marketing campaigns resulting in increased brand awareness, receipts payable, maintaining escrow and checking accounts, and maintaining a finely tuned, motivational, upbeat, and supportive environment.
- Trained outside sales professionals daily on the real estate industry, including how to generate clients and referrals; how to adapt to meet the specific needs of each client; time management; contract negotiation techniques, how to list and show property; and, mostly, how to remain calm under pressure, and maintain control of the situation at all times. On call 7 days a week after hours to assist and advise the agents.
- Supervised a sales and administrative staff of 5 daily.
- Cut the advertising budget by 60% while generating an increase in high quality leads from other, less costly and more effective mediums such as the Internet and direct mail.
- Wrote and Edited dynamic, call-to-action website content and property marketing content
- Used Microsoft Power Point and Word to create professional, effective client presentations.
- Redesigned our print media and copy to enhance our image and increase brand awareness.
- Created and implemented all marketing material and PR including newspaper, magazine, and Internet media. Increased page rank among search engines by creating and implementing SEO friendly copy.
- Created a community-focused real estate blog designed to increase web site traffic and position the company as an expert within the area.
- Strong ability to work both independently and within a team environment. Able to lead and motivate, and tremendously detail-oriented and result-driven.

### Achievements As a Real Estate Consultant:

- \$10 to \$15 Million in sales annually since 2003
- Closed an average of 30 transaction sides per year, 500% more than the average real estate agent in the US. Consistently ranked as a top producer.
- 2003 through 2005: Ranked among top 5% of all agents in southern NH for closed sales.
- Advised clients on selling, buying, and investing in residential and commercial properties.
- Consistently serviced and maintained an average of 30 property listings/clients; strong ability to deliver results and multi-task in a deadline driven, high-stress environment.

• Sold complex marketing concept to customers over the phone; scheduled in-home presentations. Strong closing skills generating more bookings than any other listing agent with the company.

• Conducted off site client presentations and sold real estate service contracts. Excellent interpersonal skills; able to adapt to all kinds of personalities and social environments, determining and exercising the best method of successfully selling myself and my company to handle what is usually the largest financial investment in a person's life.

• Determined market value of property; analyzed detailed home sale data trends and reported findings to clients in the form of a "Comparative Market Analysis" (CMA).

• Implemented tailored marketing campaigns for each individual property listed; created marketing campaigns using email, Internet resources and advertising, direct mail, newspaper advertising, and social media outlets.

• Negotiated and administered purchase contracts on behalf of buyers, sellers, and other agents.

• Created and lead custom property tours to buyers based on their specific individual needs.

• Extensive project management experience: main point of contact throughout entire real estate transaction; responsible for supervising and scheduling all related events leading up to the sale of a property.

• Maintained all related escrow deposits and coordinated events between all parties involved in the transaction throughout the escrow period including scheduling and overseeing appraisals and inspections, negotiations between parties, preparing new deeds to property, and supervising closing and transfer of title, ensuring all contingencies were met by all parties prior to the closing date.

• Worked as an exclusive Buyer Agent, Seller Agent, or Dual Agent and upheld fiduciary duties to the respected parties.

• Prepared purchase and sale agreements, listing and agency representation agreements, warranty deeds, and various other legal contracts.

• Collaborated with lenders, appraisers, home inspectors, engineers, title companies, and attorneys to ensure deadlines were met and properties closed on time in accordance with each contract.

*2005-Current*

*Freelance Writer and Editor*

*Nationwide*

- Wrote and Edited copy for various political groups and non-profit organizations nationwide.
- Frequent contributor and author to MSNBC's affiliate, Newsvine (<http://bigbadv.newsvine.com/>), a news aggregation site.
- Creator and author of company real estate themed blog "Dirty Little Secrets behind White Picket Fences: The Good, the Bad, and the Ugly about all things Real Estate".

*1996-1999*

*Unique Properties, Inc*

*Nashua, NH*

*Administrative Assistant/Personal Assistant to President of Unique Properties, Inc.*

- Personal Assistant to the President
- Answered phones
- Greeted Clients
- Acted as the liaison between clients and the president
- Scheduled Appointments
- Prepared all print and web advertising
- Ordered and Maintained Office supplies
- Prepared contracts, property listings, and oversaw closing arrangements
- Maintained banking and escrow accounts

#### **Accreditations and licenses**

- Licensed NH Real Estate Agent

\*Finished degree requirements in May, 2005 and attended graduation ceremony. Actual receipt of diploma in 2007 due to clerical issues.

# Ana Pancine

|            |   |  |
|------------|---|--|
| Objective  | To obtain a position within an organization that offers me the opportunity to apply my experiences and academic expertise in the Financial field, and that provides me a chance to enhance my career knowledge.   |  |
| Experience | <p><b>December 2006 – Present      Hewlett-Packard      Nashua, NH</b></p> <p><b>Service Resource Coordinator      December 2006 - Presently</b></p> <ul style="list-style-type: none"> <li>• Accountable for all metric reports for the PER Event team in a monthly basis.</li> <li>• Responsible for revenue booking for two districts.</li> <li>• Accountable to update, present and distribute all reports related to the department.</li> <li>• Provide quality reports for upper management to review the progress of the team.</li> <li>• Responsible for all the billings for Latin America.</li> </ul> <hr/> <p><b>August 2001 – December 2006      Electronic Data Systems(EDS)      Nashua, NH</b></p> <p><b>Americas Business Analyst      February 2004 – December 2006</b></p> <ul style="list-style-type: none"> <li>• Manage ten cost centers with annual expenses of \$9m and revenue of \$18m, forecast on a quarterly basis, generate expense and revenue accruals, and establish budgetary guidelines for team members.</li> <li>• Variance reporting monthly for +/-1 % of forecasted to report to senior management.</li> <li>• Complete, reconcile, and obtain approval from customer for account metrics on a monthly basis.</li> <li>• Maintain global reporting of 200 employees with specific emphasis on geographic alignment, individual line counts, and organizational charts for account utilization and resource mapping</li> <li>• Approve time card for temporary employees, main contact for temporary agencies and responsible for hiring/releasing of temporary employees.</li> <li>• Main contact for all customers located in the Latin America territory.</li> <li>• Provided Financial Support for account closing.</li> </ul> <hr/> <p><b>Quality Controller/ System Support Administrator      June 2003 – February 2005</b></p> <ul style="list-style-type: none"> <li>• Main contact between administrators and system support to prioritize technical errors.</li> <li>• Responsible for weekly, monthly and quarterly quality review reporting.</li> <li>• Responsible for weekly and monthly geography reports.</li> <li>• Maintain all employee related spreadsheets updated.</li> <li>• Manage quality review reports to ensure policies and procedures are being followed.</li> <li>• Mentoring new hires in their assigned positions.</li> <li>• Communicating with manager for tools necessary for team.</li> <li>• Categorize and notify managers of any performance issues.</li> <li>• Provide support for team members with problem solving.</li> </ul> <hr/> <p><b>Per Event Administrator      August 2001 – June 2003</b></p> <ul style="list-style-type: none"> <li>• Responsible for billing revenue.</li> <li>• General office filing and organization.</li> <li>• Data Entry.</li> <li>• Assisting customer needs.</li> <li>• Solving any customer issues.</li> <li>• Revenue booking and customer assistance for Latin America/Caribbean territory.</li> <li>• Assistant and service provided for all customer located in the Latin America/Caribbean/Europe territory.</li> </ul> |  |
| Skills     | <ul style="list-style-type: none"> <li>• Windows 98/2000/XP</li> <li>• SIFT – Financial Database</li> <li>• Microsoft Office</li> </ul>   | <ul style="list-style-type: none"> <li>• PEARS/CHAMP/WFM</li> <li>• NCAS/SAP</li> <li>• Fluent in Portuguese and Spanish.</li> </ul> |
| Education  | <p><b>Hesser College</b></p> <ul style="list-style-type: none"> <li>• Bachelor of Science, Business Administration – Oct 2005</li> </ul> <p><b>Southern NH University</b></p> <ul style="list-style-type: none"> <li>• Pursuing MBA and Financial/International Business Certification.</li> </ul>  |  |

References Available upon request

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RESUME SECTIONS

Heading

Professional Summary

Skills

Work History

Education

Add a section

# KATHRYN BYRNE

12 Harbor Drive, Ashby, MA 01431 | (603) 923-6963 | kathyrb1677@gmail.com

## PROFESSIONAL SUMMARY

Skilled Program Manager versed in budget administration, project management and team leadership. Decisive, persistent and responsive to changing business needed. Ready to take expertise and 20+ years of Human Services experience to new company.

## SKILLS

- Team leadership
- Budgeting
- Program development and management
- Quality inspections
- Operations Management
- Documentation proficiency
- Strategic Planning
- Team leadership and direction
- Policy and program development
- Behavioral Intervention Plans (BIP)
- Records maintenance
- Medicaid statutes and regulations

## WORK HISTORY

NOVEMBER 2017-PRESENT

Program Manager | Partnership For Successful Living | Nashua, NH  
Managed Transitional Housing Program for individuals who are exiting New Hampshire Hospital.

JANUARY 2015-NOVEMBER 2017

Program Manager | Partnership For Successful Living | Nashua, NH  
Managed Supportive Services for Veteran Families, Housing program for Veterans and their families who are experiencing homelessness

SEPTEMBER 2013-JANUARY 2014

Residential Support Staff | Harbor Homes, Inc. | Nashua, NH  
Worked as a support worker in group homes for individuals who are experiencing severe and persistent mental illness.

## EDUCATION

2014

Master of Science: Mental Health Counseling  
Springfield College, Springfield, MA

2007

Bachelor of Science: Human Services  
Springfield College, Springfield, MA

1999

Associate of Science: Child Development  
Mount Wachusett Community College, Gardner, MA

**Graciela Silvia Sironich-Kalkan MD.**

**Present Mailing Address**

[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

**Alternative Mailing Address  
The Doctor's Office**

[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

**Medical Education**

Universidad de Buenos Aires  
Ciudad Autónoma de Buenos Aires  
Argentina  
MD, 12/21/1979

**School Awards & Membership in Honorary/ Professional Societies**

Cardiology Argentine Society: 1982-1986 associated member  
Azcuena 980, Ciudad Autónoma de Buenos Aires, Argentina.  
Intensive Care Argentine Society: 1985-1992 associated member 1992-1997 Board's Member  
Cnel. Niceto Vega 4617, Ciudad Autónoma de Buenos Aires, Argentina.  
Argentine Association of Enteral and Parenteral Nutrition: 1983-1997, Founder and Board's  
Member  
Lavalle 3643 3F Ciudad Autónoma de Buenos Aires, Argentina.  
Biologic's Security Committee Navy Hospital: 1985-1997 Board's Member 1986-1997  
Patricias Argentinas 351, Ciudad Autónoma de Buenos Aires, Argentina.

**Certifications / Licensure**

NPI: 1760751531

State of New Hampshire Full License 2/1/2012 to 6/30/2018 #15553  
DEA Registration: FS 2954851  
State of New Hampshire Temporary License Date 11/02/2011 to 5/12/2012 #T0566  
State of Massachusetts Limited License #222359 Exp. Date 06/30/2005  
DEA Registration: AS4148501E136 Exp. Date 06/2005  
ACLS Certification Exp. Date  
U.S.M.L.E./E.C.F.M.G: 08/27/2001

**Argentina:**

Pan-American & Iberic Federation of Intensive Care Medicine. Degree of Certification in Critical Care Medicine. Diploma of Accreditation, Lisbon, Portugal 1995.  
National Academy of Medicine, Ciudad Autónoma de Buenos Aires, Argentina. Certification of Professional Physicians as Critical Care Specialist. 1993.  
Certificate of Specialist Argentine Society of Critical Care, Ciudad Autónoma de Buenos Aires, Argentina. 1993  
Specialist In Critical Care, Ministry of Health and Social Security, Federal District, Ciudad Autónoma de Buenos Aires, Argentina. 1991.  
National License: #58049 October Active 1980-March 1997 Book 17, Page 18  
Province of Buenos Aires School 2<sup>nd</sup> District: #28446 08/1980 Book XI page 192  
Avellaneda, Province of Buenos Aires, Argentina

**Work Experience:**

**Harbor Care Health and Wellness Center**  
45 High Street, Nashua, NH 03060  
Medical Director, August 2012-Present  
General Practice, November 2011-Present

**The Doctor's Office:**

102 Bay Street, Manchester, NH 03104  
General Practice, November 2011-Present

**American Red Cross Massachusetts Bay Chapter:**

139 Main St. Cambridge, MA 02142-1530  
Health and Safety: Part Time Instructor in English and Spanish in CPR/AED Adults, Children, Infants and First Aid. 06/2011-12/2012

**The Doctor's Office:**

102 Bay Street, Manchester, NH 03104  
First Line Therapy Lifestyle Educator, Coach. 05 2011-Present

**Caritas Saint Elizabeth's Medical Center**

736 Cambridge Street, Brighton, MA 02135

**Department of Internal Medicine: Observer 03/2003- 12/2003**

**Laurence General Hospital,  
1 General Street, Lawrence, MA. 01842  
Observer, shadowing an Attending Neurologist 11/2002- 03/2003**

**Hewlett Packard, Medical Division  
3000 Minuteman Rd, Andover MA. 01810  
Medical Consultant for Latin America Field Operations 09/1997-12/1999**

**Navy Hospital Major Surgeon Pedro Mallo.  
Patricias Argentinas 351, Ciudad Autónoma de Buenos Aires, Argentina.  
Chief Surgical Care Unit  
Clinic and administrative management of the Unit. Instructor for medical students and residents. 01/92--03/97**

**Colegiales Clinic  
Conde 851, Ciudad Autónoma de Buenos Aires, Argentina  
Critical Care Coordinator.  
Contributed of the management of the Unit. Coordinator of Critical Care actualization courses.  
07/1991-06/1993**

**Clinica Modelo Los Cedros.  
San Justo, Provincia de Buenos Aires, Argentina  
Chief, Intensive Care Unit  
Clinic and administrative Management of the Unit. 07/1990-06/1991**

**Nephrologic Medical Center Oeste.  
Ciudadela, Provincia de Buenos Aires, Argentina.  
Attending Physician, Hemodialysis Unit. 02/1987-08/1988**

**Navy Hospital Major Surgeon Pedro Mallo.  
Patricias Argentinas 351, Ciudad Autónoma de Buenos Aires, Argentina.  
Attending Physician, Critical Care Unit. 07/1984-01/1992**

**Navy Hospital Major Surgeon Pedro Mallo.  
Patricias Argentinas 351, Ciudad Autónoma de Buenos Aires, Argentina.  
On call Physician, Coronary Care Unit. 01/84-07/1984**

**Bazterrica Clinic  
Juncal 3002, Ciudad Autónoma de Buenos Aires, Argentina.  
On call Physician, Critical Care Unit. 09/1980-12/1987**

### **Residencies/Fellowships**

#### **Caritas Saint Elizabeth's Medical Center**

736 Cambridge St, Brighton, MA, 02135 United States of America.

General Surgery. 07/2004-06/2005

Marvin Lopez M.D. FACS, FRCSC.

Hackford Alan M.D.

#### **University of Salvador**

Post Graduate School of medicine

Tucumán 1845/59, Ciudad Autónoma de Buenos Aires, Argentina.

University Extension Critical Care 05/1983-12/1984

Professor Eduardo Abbate MD, Course Director, Professor Luis J Gonzalez Montaner MD, Dean of School of Medicine

#### **Carlos Durand Hospital**

Cardiology Division

Díaz Vélez 5044, Ciudad Autónoma de Buenos Aires, Argentina

Cardiology-Internal Medicine. 03/1982-06/1984

Alberto Demartini MD., Professor German Strigler MD.

#### **Ignacio Pirovano Hospital**

Monroe 3555, Ciudad Autónoma de Buenos Aires, Argentina.

Internal Medicine. 03/1981-02/1982

Professor Navarret MD. Professor Cottone MD. 03 / 1981 - 02 / 1982

#### **City of Buenos Aires Municipality**

City of Buenos Aires Hospitals

Critical Care Units

Annual Course of theory and practice in Critical Care.

Professor Francisco Maglio MD., Claudio Goldini MD., Roberto Menendez MD., Professor

Roberto Padron MD. 03/1980-02/1981

### **Publications/ Presentations/Poster Sessions**

Graciela Silva Sironich, Biochemistry Faculty, UBA. Nutrition Department and Mater Dei, Nutrition in acute pancreatitis, Publication Date: 09 / 1999, Volume: 1, Pages: 235; 242.

Bazaluzzo J M; Sironich Graciela; Catalano H.; Quiroga J. La Prensa Medica Argentina, Nutritional Evaluation by anthropometric method. Publication Date: 11 / 1992, Volume: N/A.

Sironich Graciela; Catalano H.; Milei L.; Lanestremere M. Magazine XXIV Annual Meeting of the Argentine Society of Clinical Investigation. Sodium and plasmatic osmolarity variations in neurosurgical patients. Publication Date: 11 / 1989 , Volume: 1 /1989, Pages: N/A.

#### **Volunteer Experience**

##### **American Red Cross Nashua Gateway Chapter**

28 Concord Street, Nashua, NH 03064

Health and safety: CPR/AED for Adults, Children, Infants and First Aid Instructor. 04-2011-present.

##### **American Cancer Society**

Collaborated with 2009 Annual Fund

2009 Supporter, NH.

##### **Spanish Hospital,**

Belgrano 2975, Ciudad Autónoma de Buenos Aires, Argentina. 01209

Oncology Department, Voluntary Physician 01/1980-07/1980

##### **Spanish Hospital,**

Belgrano 2975, Ciudad Autónoma de Buenos Aires, Argentina. 01209

Emergency Room Volunteer. 03/1079-03/1980

##### **Evita General Hospital,**

Rio de Janeiro 1910, Lanús, Provincia de Buenos Aires, Argentina.

Emergency Room Volunteer. 09/1974-12/1974

##### **Dr Jose Estevez Psychiatric Hospital,**

Garibaldi 1400, Temperley, Provincia de Buenos Aires, Argentina.

Volunteer. 08/1972-07/1973

#### **Hobbies & Interests**

Travel

Reading fiction, nonfiction and history

Theater

Cooking

**Language Fluency (other than English)**  
Spanish

**Other Accomplishments.**

New Hampshire Governor's Commission on Latino Affairs. Member of the Board. 05/ 2010-present. Secretary 11/2010-present

FLT Lifestyle Educator Certification. March 2011

American Red Cross Gateway Chapter: CPR/AED for Professional Rescuers and Healthcare providers Instructor Certification 04/08/2011

American Red Cross Gateway Chapter: CPR/AED for Adults, Child, Infant; First Aid Lay responder Certification. 03/21/2011

Fundamentals of Instructor Training Certification 03/21/2011

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## Physician License Match Results

### Physicians

License Number: 16553  
License Date: 2/1/2012  
Name: SIRONICH-KALKAN, GRACIELA- SILVIA MD  
Address: WILLIAM WINDLER MD, 102 BAY ST, MANCHESTER, NH  
03104  
Phone: 603-626-1734  
Specialty: GP  
School and Year of Graduation: UNIVERSIDAD DE BUENOS AIRES  
1980  
Internship and Year: CARITAS ST ELIZABETHS MEDICAL CENTER -  
BOSTON, MA 2006  
License Expiration Date: 6/30/2018

**Harbor Homes, Inc.**

Transitional Housing & Community Residence Key Personnel

| Name                      | Job Title               | Salary    | % Paid from this Contract | Amount Paid from this Contract |
|---------------------------|-------------------------|-----------|---------------------------|--------------------------------|
| Peter Kelleher            | President & CEO         | \$338,146 | 1%                        | \$1,643                        |
| Patricia Robitaille       | Chief Financial Officer | \$150,000 | 1%                        | \$1,500                        |
| Ana Pancine               | Chief Revenue Officer   | \$115,000 | 1%                        | \$1,150                        |
| Vanessa Talasazan         | Chief Strategy Officer  | \$115,000 | 1%                        | \$1,150                        |
| Kathryn Byrne             | Program Manager         | \$68,000  | 100%                      | \$68,000                       |
| Graciella Sironich-Kalkin | Medical Director        | \$208,000 | 11%                       | \$22,066                       |

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Jeffrey A. Meyers  
Commissioner

Katja S. Fox  
Director

STATE OF NEW HAMPSHIRE  
DEPARTMENT OF HEALTH AND HUMAN SERVICES  
DIVISION FOR BEHAVIORAL HEALTH

129 PLEASANT STREET, CONCORD, NH 03301  
603-271-9544 1-800-852-3345 Ext. 9544  
Fax: 603-271-4332 TDD Access: 1-800-735-2964 www.dhhs.nh.gov

June 3, 2019

His Excellency, Governor Christopher T. Sununu  
and the Honorable Council  
State House  
Concord, New Hampshire 03301

**REQUESTED ACTION**

Authorize the Department of Health and Human Services, Division for Behavioral Health to exercise a renewal option to an existing agreement with Harbor Homes Inc.(Vendor #155358), 45 High Street, Nashua, NH 03060, to provide a community residential program for adults who have severe mental illness or severe and persistent illness by increasing the price limitation by \$350,000 from \$2,100,000 to \$2,450,000 and by extending the completion date from June 30, 2019 to October 31, 2019, effective upon Governor and Executive Council approval. 100% General Funds.

This agreement was originally approved by the Governor and Executive Council on November 8, 2017 (Item #21B)

Funds are anticipated to be available in State Fiscal Year 2020, upon the availability and continued appropriation of funds in the future operating budgets, with authority to adjust amounts within the price limitation if needed and justified.

**05-95-92-922010-4117- HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVS, HHS: BEHAVIORAL HEALTH DIV, BUREAU OF MENTAL HEALTH SERVICES, CMH PROGRAM SUPPORT**

| State Fiscal Year | Class / Account | Class Title            | Job Number    | Current Budget     | Increased (Decreased) Amount | Revised Modified Budget |
|-------------------|-----------------|------------------------|---------------|--------------------|------------------------------|-------------------------|
| 2018              | 102-500731      | Contracts for Prog Svc |               | \$1,050,000        | \$0                          | \$0                     |
| 2019              | 102-500731      | Contracts for Prog Svc | 90072003      | \$1,050,000        | \$0                          | \$0                     |
| 2020              | 102-500731      | Contracts for Prog Svc | 90072003      | \$0                | \$350,000                    | \$350,000               |
|                   |                 |                        | <b>Total:</b> | <b>\$2,100,000</b> | <b>\$350,000</b>             | <b>\$2,450,000</b>      |

### EXPLANATION

The purpose of this request is to continue operating fourteen (14) Transitional Housing beds for adults who have severe mental illness or severe and persistent illness and are eligible for community mental health services and no longer meet the level of care provided by New Hampshire Hospital or Designated Receiving Facilities. These services were implemented to improve the State's mental health system pursuant to House Bill 517, Section 186 (III) (2017).

Approximately fourteen (14) individuals will be served from July 1, 2019 through October 31, 2019.

The original agreement included language in the Exhibit C-1, Paragraph 3, that allows the Department to renew the contract for up to two (2) years, subject to the continued availability of funding, satisfactory performance of service, parties' written authorization and approval from the Governor and Executive Council. The Department is in agreement with renewing services for four (4) months of the two (2) years at this time.

Approval of this request will allow the Contractor to continue providing a transitional housing program for adults who have severe mental illness or severe and persistent illness and are eligible for community mental health services and no longer meet the level of care provided by New Hampshire Hospital or Designated Receiving Facilities. The fourteen (14) beds will provide a transitional housing program for adults in order to support and promote rehabilitation that will facilitate a transition to independent living in the community.

The program serves the clinical, medical, vocational, and residential needs of adult men and women with mental illness. The program services include: psychiatric services, medication management, clinical services, medical services, targeted case management, specialized and co-occurring treatment services, vocational and day treatment services, and support for community connectedness and family involvement.

The Contractor will provide quarterly data reports on the number of individuals admitted and discharged during the contract period, any waitlist times, where individuals were discharged, and what services were in place upon discharge. Reports will also include detail about residential treatment and support plans as well as ongoing discharge planning for each resident.

The Department will meet with the Contractor on a quarterly basis to review the reports and discuss ongoing case and programmatic concerns. Monthly financial reports are submitted that include revenue and expense by cost and program category, a Capital Expenditure Report, an Interim Balance Sheet, and a Profit and Loss statement. Ongoing improvements around data submission will continue to lead to improved oversight of contracts and ensure quality care for individuals.

Should the Governor and Executive Council not approve this request, fourteen (14) bed community residence program would not be available to individuals in need of housing who are transitioning from NH Hospital or a Designated Receiving Facility to the community which, in turn, makes those beds available to individuals who are waiting in hospital emergency rooms for services across the State.

Area served: Statewide

Source of Funds: 100% General Funds

In the event that the General Funds become no longer available, additional General Funds will not be requested to support this program.

Respectfully submitted,



Jeffrey A. Meyers  
Commissioner



**State of New Hampshire  
Department of Health and Human Services  
Amendment #1 to the  
Transitional Housing & Community Residences**

This 1<sup>st</sup> Amendment to the Transitional Housing & Community Residences contract (hereinafter referred to as "Amendment #1") is by and between the State of New Hampshire, Department of Health and Human Services (hereinafter referred to as the "State" or "Department") and Harbor Homes, (hereinafter referred to as "the Contractor"), a non-profit corporation with a place of business at 77 Northeastern Boulevard, Nashua, NH, 03062.

WHEREAS, pursuant to an agreement (the "Contract") approved by the Governor and Executive Council on November 8, 2017, (Item #21B), the Contractor agreed to perform certain services based upon the terms and conditions specified in the Contract as amended and in consideration of certain sums specified; and

WHEREAS, the State and the Contractor have agreed to make changes to the scope of work, payment schedules and terms and conditions of the contract; and

WHEREAS, pursuant to Form P-37, General Provisions, Paragraph 18, and Exhibit C-1, Revisions to General Provisions Paragraph 3 the State may modify the scope of work and the payment schedule of the contract upon written agreement of the parties and approval from the Governor and Executive Council; and

WHEREAS, the parties agree to extend the term of the agreement, increase the price limitation, and modify the scope of services to support continued delivery of these services;

WHEREAS, all terms and conditions of the Contract and prior amendments not inconsistent with this Amendment #1 remain in full force and effect; and

NOW THEREFORE, in consideration of the foregoing and the mutual covenants and conditions contained in the Contract and set forth herein, the parties hereto agree to amend as follows:

1. Form P-37 General Provisions, Block 1.7, Completion Date, to read:  
October 31, 2019.
2. Form P-37, General Provisions, Block 1.8, Price Limitation, to read:  
\$2,450,000.
3. Form P-37, General Provisions, Block 1.9, Contracting Officer for State Agency, to read:  
Nathan D. White, Director.
4. Form P-37, General Provisions, Block 1.10, State Agency Telephone Number, to read:  
603-271-9631.
5. Delete Exhibit A, Scope of Services in its entirety and replace with Exhibit A, Amendment #1, Scope of Services.
6. Add Exhibit B-5, Amendment #1, Budget.
7. Delete Exhibit K in its entirety and replace with Exhibit K – Amendment #1.

New Hampshire Department of Health and Human Services  
Transitional Housing & Community Residences



This amendment shall be effective upon the date of Governor and Executive Council approval.

IN WITNESS WHEREOF, the parties have set their hands as of the date written below,

State of New Hampshire  
Department of Health and Human Services

5/31/19  
Date

Katja S. Fox  
Name: Katja S. Fox  
Title: Director

Harbor Homes, Inc.

5/30/19  
Date

Peter Kelleher  
Name: Peter Kelleher  
Title: President + CEO

Acknowledgement of Contractor's signature:

State of NH, County of Hillsborough on May 30, 2019 before the undersigned officer, personally appeared the person identified directly above, or satisfactorily proven to be the person whose name is signed above, and acknowledged that she executed this document in the capacity indicated above.

Wendy Nichols  
Signature of Notary Public or Justice of the Peace

Wendy Nichols  
Name and Title of Notary or Justice of the Peace

My Commission Expires: 6/4/19



New Hampshire Department of Health and Human Services  
Transitional Housing & Community Residences



The preceding Amendment, having been reviewed by this office, is approved as to form, substance, and execution.

OFFICE OF THE ATTORNEY GENERAL

6/4/19  
Date

*Deanne Mark*  
Name:  
Title:

I hereby certify that the foregoing Amendment was approved by the Governor and Executive Council of the State of New Hampshire at the Meeting on: \_\_\_\_\_ (date of meeting)

OFFICE OF THE SECRETARY OF STATE

\_\_\_\_\_  
Date

\_\_\_\_\_  
Name:  
Title:



## Scope of Services

### 1. Provisions Applicable to All Services

- 1.1. The Contractor shall submit a detailed description of the language assistance services they will provide to persons with limited English proficiency to ensure meaningful access to their programs and/or services within ten (10) days of the contract effective date.
- 1.2. The Contractor agrees that, to the extent future legislative action by the New Hampshire General Court or federal or state court orders may have an impact on the Services described herein, the State Agency has the right to modify Service priorities and expenditure requirements under this Agreement so as to achieve compliance therewith.
- 1.3. The Contractor shall obtain the licenses and certifications to operate the facility pursuant to New Hampshire Administrative Rules HeP-814 and/or He-M-1002.
- 1.4. The Contractor shall be an enrolled Medicaid provider through the Department's Medicaid program.
- 1.5. In the event the Department incorporates Medicaid eligible Transitional Housing services into its agreements with the Managed Care contractors, the Department will notify the Contractor and provide the Contractor sixty (60) days to enroll as a provider of such services with the Managed Care contractors.
- 1.6. The Contractor shall provide fourteen (14) transitional housing beds through this contract in accordance with Exhibit A, Scope of Services. The Contractor shall ensure:
  - 1.6.1. A minimum of four (4) transitional housing beds are ready for client occupancy no later than forty-five (45) days from the contract effective date.
  - 1.6.2. The remaining ten (10) transitional housing beds are ready for client occupancy no later than ninety (90) days from the contract effective date.

### 2. Scope of Work

- 2.1. The Contractor shall develop and operate transitional housing beds with wrap-around services and supports for individuals who have been referred from New Hampshire Hospital (NHH) or Designated Receiving Facilities (DRFs) and who:
  - 2.1.1. Have a severe mental illness (SMI) or severe and persistent mental illness (SPMI) and meet eligibility for community mental health services at a community mental health center (as defined in Administrative Rule He-M 401);
  - 2.1.2. Require extensive support and rehabilitation to successfully transition from NHH or a DRF before moving to less restrictive alternatives in the community of their choice, and
  - 2.1.3. Have been determined to no longer meet the level of care provided by NHH or a DRF.
- 2.2. The Contractor shall provide community residential services as defined in New Hampshire Administrative Rule He-M 1002, which at a minimum include:



- 2.2.1. Assistance and instruction to improve and maintain individual skills in basic daily living, personal development, and community activities by providing therapeutic behavioral services that include but are not limited to:
  - 2.2.1.1. Personal decision making;
  - 2.2.1.2. Personal care, household management, budgeting, shopping, and other functional skills;
  - 2.2.1.3. Household chores and responsibilities;
  - 2.2.1.4. Having relationships with person both with and without disabilities;
  - 2.2.1.5. Accessing a wide range of integrated community activities including recreational, cultural, and other opportunities;
  - 2.2.1.6. Participating in religious services and practices of the consumer's choosing; and
  - 2.2.1.7. Choosing and wearing clothing that is neat, clean, in good repair, and appropriate to the season and activity.
- 2.2.2. Individual service plans for consumers that are developed in accordance with New Hampshire Administrative Rules He-M 401 and He-M 408.
- 2.2.3. Illness Management and Recovery Services provided on an individual and group basis, in accordance with New Hampshire Administrative Rule He-M 426, which teach strategies for:
  - 2.2.3.1. Recovery;
  - 2.2.3.2. Practical facts about mental illness;
  - 2.2.3.3. The stress-vulnerability model and treatment strategies;
  - 2.2.3.4. Building social supports;
  - 2.2.3.5. Reducing relapses;
  - 2.2.3.6. Using medication effectively;
  - 2.2.3.7. Coping with stress;
  - 2.2.3.8. Coping with problems and symptoms;
  - 2.2.3.9. Getting your needs met in the mental health system; and
  - 2.2.3.10. Assessing for Drug and Alcohol use.
- 2.2.4. Psychotherapeutic Services in accordance with New Hampshire Administrative Rules He-M 426, which includes sex offender treatment.
- 2.2.5. Targeted Case Management (TCM) Services In accordance with New Hampshire Administrative Rules He-M 426 in order to:
  - 2.2.5.1. Ensure continuity of care by assisting consumers gain access to needed medical, social, educational, and other services on a one-to-one basis to help them transition back to their homes and communities; and

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- 2.2.5.2. Assist consumers with completing applications for all appropriate sources of financial, medical, and housing assistance including, but not limited to:
  - 2.2.5.2.1. Medicaid.
  - 2.2.5.2.2. Medicare.
  - 2.2.5.2.3. Social Security Disability Income.
  - 2.2.5.2.4. Public Housing subsidies.
  - 2.2.5.2.5. Section 8 subsidies.
- 2.2.6. An Adult Needs and Strengths Assessment (ANSA) for each consumer, as well as enter results into the Department's data collection system:
  - 2.2.6.1. Upon admission to the program.
  - 2.2.6.2. Ninety (90) days after admission as part of the individual service plan review.
  - 2.2.6.3. Every 6 months after admission.
  - 2.2.6.4. Annually after the first year from the date of the initial assessment.
- 2.2.7. Evidence Based Supported Employment Services in accordance with New Hampshire Administrative Rule He-M 426 to consumers who ask to seek competitive employment.
- 2.2.8. Psychiatric Evaluation and Management Services in accordance with New Hampshire Administrative Rule He-M 426, which shall be provided by a qualified psychiatrist, Advanced Practice Registered Nurse (APRN) or Physician's Assistant (PA), for the purposes of assessment and treatment of consumers in the program.
- 2.2.9. Medical Services provided by Registered Nurses (RN) will be delivered on site Monday through Friday during the hours of 8:00 am to 10:00 pm and on Saturdays and Sundays during the hours of 8:00 am to 4:30 pm, subject to the following requirements or as otherwise indicated:
  - 2.2.9.1. Transitional Housing Services RNs and behavioral health staff shall provide input into the annual review of individual's health history, health status, and supports identified or needed to maintain physical, mental and social well-being as provided by a primary care provider of the individual's choosing, and with the individual's consent.
  - 2.2.9.2. Instruction in and assistance with in taking prescribed medications independently, in accordance with Exhibit A-1, Administration of Medications in the Transitional Housing Program.
  - 2.2.9.3. Residential staff trained by the Nurse Trainer to provide services in Section 2.2.9.2, above.

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- 2.2.9.4. All RN-level medical services, within the hours specified in Section 2.2.9. The Contractor shall have an adequate number of nurses to float/travel between sites to respond to client needs in a timely manner.
- 2.2.9.5. Non-RN level staff including, but not limited to, support staff, Licensed Nursing Assistants, and other providers, to provide non-RN level medical services under the supervision of RNs or other qualified medical providers.
- 2.2.9.6. Primary care clinical staff and home health care staff that provide per diem coverage in the event that additional nursing staff is needed during the above referenced hours, as well as 24/7 coverage through on-call coverage.
- 2.2.10. Qualified staff on site, 24 hours a day, 7 days per week for all transitional housing residents. Staff shall be trained by a Nurse Trainer.
- 2.2.11. Medical Services/Medications shall be administered in accordance with Exhibit A-1, Medication Administration in the Transitional Housing Program.
- 2.2.12. Emergency Services available twenty-four (24) hours per day, seven (7) days per week for both medical and psychiatric needs. Services shall include, but not be limited to:
  - 2.2.12.1. An on-call clinician for evenings, weekends and holidays to provide crisis intervention, coordinate Involuntary Emergency Admission petitions in accordance with Revised Statutes Annotated (RSA)135-C:28 Emergency Treatment and revocation of conditional discharges in accordance with RSA 135-C:51, III) when required.
  - 2.2.12.2. A Registered Nurse available on-call to:
    - 2.2.12.2.1. Provide education problem solving and support regarding medications.
    - 2.2.12.2.2. Respond to health related concerns.
  - 2.2.12.3. A nurse available on-call the remainder of each day, weekends and holidays to:
    - 2.2.12.3.1. Provide education, problem solving and support regarding medications.
    - 2.2.12.3.2. Respond to health related concerns.
- 2.2.13. Specialized Treatments, such as sex offender services and/or Risk Assessment evaluations, for consumers who have co-occurring disorders, are in need of sex offender treatment, or have other court mandated treatments.
- 2.2.14. Wellness Management that includes, but is not limited to, access to services and activities such as the "Healthy Choices-Healthy Changes" designed to improve physical health, and provide smoking cessation programs.

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- 2.3. The Contractor shall accept consumer referrals from the New Hampshire Hospital (NHH), Designated Receiving Facilities (DRFs), and the Community Mental Health Centers (when approved by the Department).
- 2.4. The Contractor shall prioritize consumers referred by New Hampshire Hospital and Designated Receiving Facilities by having a referral, admissions, and evaluation process approved by the Department that:
  - 2.4.1. Places current inpatient individuals at New Hampshire Hospital ahead of any and all community based referrals.
  - 2.4.2. Includes a written referral protocol that includes a review / evaluation of the individual current situation, assessment of need and disposition.
  - 2.4.3. Responds to all referrals, in writing within fourteen (14) business days of receipt, as to the consumer's disposition, (acceptance or denial) into the Transitional Housing Program Services, including any contingencies placed on the acceptance or, if the referral is denied, the reason for denial. An unreasonable denial, as determined by the Department, shall constitute an event of default.
  - 2.4.4. Establishes an admission process that:
    - 2.4.4.1. Ensures successful entry of accepted referrals into the program.
    - 2.4.4.2. Includes a communications plan that outlines the reasons, both verbally and in writing, that referrals were unsuccessful.
- 2.5. The Contractor shall have a discharge process for consumers who are discharged from the Transitional Housing Program Services that:
  - 2.5.1. Ensures participation in discharge planning meetings with community mental health centers, New Hampshire Hospital, and other providers.
  - 2.5.2. Includes a written discharge plan that details an evaluation of the consumers' current situation, disposition and transition plan for moving back in to the community.
  - 2.5.3. Retains the individual's bed, in the event that an individual's conditional discharge is revoked, which would result in a temporary readmission to NHH.
  - 2.5.4. Demonstrates development and implementation of a collaborative relationship with the community mental health program to develop the terms of conditional discharges pursuant to RSA 135-C:50 and He-M 609, and to develop treatment plans designed to return each consumer to the community.
  - 2.5.5. In the event the Contractor is unable to successfully provide the documentation applicable to 2.5.4. within thirty (30) days, the Contractor shall notify and seek technical assistance from the Department to develop an appropriate remedy within ninety (90) days.
- 2.6. The Contractor shall provide the written processes for referrals, admissions, evaluations and discharges outlined in Section 2.4 and Section 2.5 to the Department no later than thirty (30) days from the contract effective date.

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- 2.7. The Contractor shall assist the Pre-Admission Screening and Annual Resident Review (PASARR) Office of the Department in meeting the requirements of the PASARR provisions of the Omnibus Budget Reconciliation Act of 1987 by providing the information necessary to determine the existence of mental illness or mental retardation by conducting individual evaluations and examinations needed to determine if a person being screened or reviewed requires nursing facility care and has active treatment needs.
- 2.8. The Contractor shall designate a staff member to perform the responsibilities of a complaint manager in accordance with New Hampshire Administrative Rule He-M 204.
- 2.9. The Contractor shall submit a plan to the Department, within thirty (30) days of the contract effective date that details how consumers will be transitioned back into the community. The transition plan shall include, but not be limited to:
  - 2.9.1. Procedures for moving existing program participants into more integrated community settings and where possible.
  - 2.9.2. A person-centered plan developed in collaboration with the individual that incorporates the individual's needs, and safety of themselves and the public in accordance with New Hampshire Administrative Rule He-M 401.
  - 2.9.3. A plan to collaborate with the individual's local community mental health program and peer support agencies to provide other services and supports in the community.
  - 2.9.4. Involvement of the individual's family to support integration into the community, with the individual's consent.
  - 2.9.5. Processes to identify any barriers to placement in the community, with emphasis on the interventions necessary to promote more opportunities for community integration.
- 2.10. The Contractor shall develop individualized service plans to ensure individuals have access to services that promote the values of recovery and resiliency by utilizing a strength-based approach and person-centered service planning, in accordance with He-M 401.
- 2.11. The Contractor shall utilize individual service plans to assist individuals with identifying, cultivating and sustaining relationships with peers, family members, neighbors, landlords, employers, and others in order to create a network of support that builds resiliency as well as strength-based recovery and wellness skills.
- 2.12. The Contractor shall ensure individuals have access to a local primary care physician (PCP), within thirty (30) days from the effective date of the contract. The Contractor shall:
  - 2.12.1. Coordinate care for each individual receiving services.
  - 2.12.2. Obtain written consent from program participants to exchange health information at regular intervals with the PCP.
- 2.13. The Contractor shall assess the legal commitment status of individual residing in the program and, if deemed appropriate, provide:
  - 2.13.1. The continuation of the commitment via the proper legal process.

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- 2.13.2. Coordination of care with the legal system when indicated including, but not limited to, the NH Department of Corrections, and the NH Attorney General's Office.
- 2.14. The Contractor shall remain compliant with all state and federal laws, rules and regulations pertaining to the licensure and operation of a community residential program.
- 2.15. The Contractor shall perform, or cooperate in the performance of, quality improvement and/or utilization review activities determined to be necessary and appropriate by the Department, within timeframes specified by the Department, in order to insure the efficient and effective administration of the Medicaid program. This shall include, but is not limited to:
- 2.15.1. Maintaining detailed consumer records as required by New Hampshire Administrative Rule He-M 408. (In the event that a Transitional Housing Program Services consumer becomes an inpatient at NHH, the Contractor shall be deemed in compliance with New Hampshire Administrative Rule He-M 408, if the consumer's inpatient status is noted in the record.)
- 2.15.2. Submitting data needed to comply with federal reporting requirements to the Department.
- 2.16. The Contractor shall collect contributions for clothing, food and housing from each consumer. The Contractor shall:
- 2.16.1. Collect a maximum of 30% of income from each consumer which shall be applied toward the consumer's cost of clothing, food, and housing.
- 2.16.2. Submit the written method, process and procedure for calculating, collecting, accounting for and maintaining records of each consumer's contribution collected as specified in Section 2.16.1, above to the Department for approval no later than ten (10) days from the contract effective date.
- 2.17. The Contractor shall submit an Emergency Plan to the Department for approval no later than ten (10) days from the contract effective date that ensures consumers' safety in the event of a natural, intentional or accidental incident or threat.

### 3. Staffing

- 3.1. The Contractor shall maintain staffing levels that ensure consumer, staff and community safety and include, but are not limited to:
- 3.1.1. One Medical Director who:
- 3.1.1.1. Possesses a valid license to practice medicine in New Hampshire and meet the requirements of RSA 135-C: 2, XIII.
- 3.1.1.2. Is board eligible or board certified in psychiatry according to the regulations of the American Board of Psychiatry and Neurology, Inc., or its successor organization at the time of hiring.
- 3.1.1.3. Maintains board eligibility or certification in Section 3.1.1.2, above, throughout his/her tenure as medical director.

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- 3.1.2. One Administrator or Director who is responsible for the day-to-day management, supervision, and operation of the residence.
- 3.1.3. One Registered Nurse, licensed in accordance with RSA 326-B, who is responsible for the overall delivery and supervision of nursing services.
- 3.1.4. One Nurse Trainer to provide supervision to any staff member who is authorized to administer medications.
- 3.1.5. A sufficient number of personnel to provide nursing services, consisting of registered nurses, licensed practical nurses, and other staff. (Nurses shall be registered as required by RSA 326-B.)
- 3.1.6. A sufficient number of direct care personnel to meet the 24-hour scheduled and unscheduled needs of the consumers in accordance with the consumers' individual service plans, which shall include but not be limited to, one (1) direct care staff member per residence per shift when a consumer is occupying the residence.
- 3.2. The Contractor shall ensure clinical staff working within Transitional Housing Program Services are certified in the administration of the Adult Needs and Strengths Assessment (ANSA) using either:
  - 3.2.1. The State web-based training and certification program; or
  - 3.2.2. In-person attendance at a State sponsored training.
- 3.3. The Contractor shall maintain employee files ensuring credentials for each staff is available upon Department request.
- 3.4. The Contractor shall submit a staffing contingency plan to the Department for approval no later than thirty (30) days from the contract effective date, which shall include, but is not limited to:
  - 3.4.1. The process for replacing personnel in the event of loss of personnel, including but not limited to time frames for obtaining qualified replacements.
  - 3.4.2. The plan to allocate additional resources to the contract in the event any performance standard is not met.
  - 3.4.3. Capabilities to provide, in a timely manner, replacements/additions with comparable experience; and
  - 3.4.4. Method of bringing replacements/additions up-to-date regarding this Agreement.

#### 4. Reporting

- 4.1. The Contractor shall meet with the Department at least quarterly, or as requested by the Department, to review the progress of consumers toward independent living.
- 4.2. The Contractor shall submit quarterly (January through March, April through June, July through September, and October through December) reports to the Department by the 15th of the month following the end of the quarter. Quarterly reports shall contain information that includes, but is not limited to:
  - 4.2.1. The number of people referred and admitted to Transitional Housing Program Services;

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- 4.2.2. The number of people discharged from the Transitional Housing Program Services; and
- 4.2.3. The number of people transitioned into the community.
- 4.3. The Contractor shall submit monthly Balance Sheets and Profit and Loss Statements to the Department for review of fiscal integrity. The Contractor shall ensure the Profit and Loss Statements:
  - 4.3.1. Include a budget column that allows for a budget-to-actual analysis
  - 4.3.2. Are submitted within thirty (30) days after the last day of the previous month.
  - 4.3.3. Based on the accrual method of accounting.
  - 4.3.4. Include the Contractor's total revenues and expenditures whether or not generated by or resulting from funds provided pursuant to this contract.

**5. Maintenance of Fiscal Integrity**

- 5.1. In order to enable DHHS to evaluate the Contractor's fiscal integrity, the Contractor agrees to submit to DHHS monthly, the Balance Sheet, Profit and Loss Statement, and Cash Flow Statement for the Contractor. Program-level Profit and Loss Statement shall include all revenue sources and all related expenditures. The Profit and Loss Statement shall include a budget column allowing for budget to actual analysis. Statements shall be submitted within thirty (30) calendar days after each month end. The Contractor will be evaluated on the following:
  - 5.1.1. Days of Cash on Hand:
    - 5.1.1.1. Definition: The days of operating expenses that can be covered by the unrestricted cash on hand.
    - 5.1.1.2. Formula: Cash, cash equivalents and short term investments divided by total operating expenditures, less depreciation/amortization and in-kind plus principal payments on debt divided by days in the reporting period. The short-term investments as used above must mature within three (3) months and should not include common stock.
    - 5.1.1.3. Performance Standard: The Contractor shall have enough cash and cash equivalents to cover expenditures for a minimum of thirty (30) calendar days with no variance allowed.
  - 5.1.2. Current Ratio:
    - 5.1.2.1. Definition: A measure of the Contractor's total current assets available to cover the cost of current liabilities.
    - 5.1.2.2. Formula: Total current assets divided by total current liabilities.
    - 5.1.2.3. Performance Standard: The Contractor shall maintain a minimum current ratio of 1.5:1 with 10% variance allowed.
  - 5.1.3. Debt Service Coverage Ratio:
    - 5.1.3.1. Rationale: This ratio illustrates the Contractor's ability to cover the cost of its current portion of its long-term debt.

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- 5.1.3.2. Definition: The ratio of Net Income to the year to date debt service.
- 5.1.3.3. Formula: Net Income plus Depreciation/Amortization Expense plus Interest Expense divided by year to date debt service (principal and interest) over the next twelve (12) months.
- 5.1.3.4. Source of Data: The Contractor's Monthly Financial Statements identifying current portion of long-term debt payments (principal and interest).
- 5.1.3.5. Performance Standard: The Contractor shall maintain a minimum standard of 1.2:1 with no variance allowed.
- 5.1.4. Net Assets to Total Assets:
  - 5.1.4.1. Rationale: This ratio is an indication of the Contractor's ability to cover its liabilities.
  - 5.1.4.2. Definition: The ratio of the Contractor's net assets to total assets.
  - 5.1.4.3. Formula: Net assets (total assets less total liabilities) divided by total assets.
  - 5.1.4.4. Source of Data: The Contractor's Monthly Financial Statements.
  - 5.1.4.5. Performance Standard: The Contractor shall maintain a minimum ratio of .30:1, with a 20% variance allowed.
- 5.2. In the event that the Contractor does not meet either:
  - 5.2.1. The standard regarding Days of Cash on Hand and the standard regarding Current Ratio for two (2) consecutive months; or
  - 5.2.2. Three (3) or more of any of the Maintenance of Fiscal Integrity standards for three (3) consecutive months, then
  - 5.2.3. The Department may require that the Contractor meet with Department staff to explain the reasons that the Contractor has not met the standards.
  - 5.2.4. The Department may require the Contractor to submit a comprehensive corrective action plan within thirty (30) calendar days of notification that 5.2.1 and/or 5.2.2 have not been met.
    - 5.2.4.1. The Contractor shall update the corrective action plan at least every thirty (30) calendar days until compliance is achieved.
    - 5.2.4.2. The Contractor shall provide additional information to assure continued access to services as requested by the Department. The Contractor shall provide requested information in a timeframe agreed upon by both parties.
- 5.3. The Contractor shall inform the Department by phone and by email within twenty-four (24) hours of when any key Contractor staff learn of any actual or likely litigation, investigation, complaint, claim, or transaction that may reasonably be considered to have a material financial impact on and/or materially impact or impair the ability of the Contractor to perform under this Agreement with the Department.

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- 5.4. The monthly Balance Sheet, Profit & Loss Statement, Cash Flow Statement, and all other financial reports shall be based on the accrual method of accounting and include the Contractor's total revenues and expenditures whether or not generated by or resulting from funds provided pursuant to this Agreement. These reports are due within thirty (30) calendar days after the end of each month.

**6. Deliverables**

- 6.1. The Contractor shall ensure a minimum of four (4) transitional housing beds and related services described in Exhibit A, Scope of Services, are ready for client occupancy no later than forty-five (45) days from the contract effective date.
- 6.2. The Contractor shall ensure the remaining ten (10) transitional housing beds and related services described in Exhibit A, Scope of Services, are ready for client occupancy no later than ninety (90) days from the contract effective date.
- 6.3. The Contractor shall enter data from the Adult Needs and Strengths Assessments (ANSAs) in Section 2.2.6 into the Department's data collection system within five (5) days of completing each assessment.
- 6.4. The Contractor shall provide written processes for referrals, admissions and evaluations and discharges outlined in Section 2.4 and Section 2.5 to the Department no later than thirty (30) days from the contract effective date.
- 6.5. The Contractor shall provide a general community transition plan, as specified in Section 2.9, that details how consumers will be transitioned back into the community to the Department no later than thirty (30) days from the contract effective date.
- 6.6. The Contractor shall ensure all consumers receiving services have access to a local primary care physician, as specified in Section 2.12, within thirty (30) days from the contract effective date.
- 6.7. The Contractor shall submit the written method, process and procedure for calculating, collecting, accounting for and maintaining records of each consumer's contribution collected, as specified in Section 2.16.1, to the Department no later than ten (10) days from the contract effective date.
- 6.8. The Contractor shall submit the staffing contingency plan in Section 3.4 to the Department no later than thirty (30) days from the contract effective date.

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Exhibit B-1, Amendment #1  
Budget

New Hampshire Department of Health and Human Services

Contractor name: Harbor Homes, Inc.

Budget Request for: Bureau of Behavioral Health, Transitional Housing Program

Budget Period: July 1, 2019 - October 31, 2019

| Line Item                               | Total Program Cost |           |            | Contractor Share / Match |           |            | Funded by DHHS contract share |           |            |
|---|--------------------|-----------|------------|--------------------------|-----------|------------|-------------------------------|-----------|------------|
|   | Direct             | Indirect  | Total      | Direct                   | Indirect  | Total      | Direct                        | Indirect  | Total      |
| 1. Total Salary/Wages                   | \$ 328,695         | \$ 57,290 | \$ 385,985 | \$ 104,437               | \$ 18,203 | \$ 122,641 | \$ 224,257                    | \$ 39,088 | \$ 263,345 |
| 2. Employee Benefits                    | \$ 88,609          | \$ 17,187 | \$ 115,796 | \$ 31,331                | \$ 5,461  | \$ 36,792  | \$ 87,277                     | \$ 11,726 | \$ 99,004  |
| 3. Consultants                          | \$ -               | \$ -      | \$ -       | \$ -                     | \$ -      | \$ -       | \$ -                          | \$ -      | \$ -       |
| 4. Equipment:                           | \$ -               | \$ -      | \$ -       | \$ -                     | \$ -      | \$ -       | \$ -                          | \$ -      | \$ -       |
| Rental                                  | \$ 1,440           | \$ -      | \$ 1,440   | \$ -                     | \$ -      | \$ -       | \$ 1,440                      | \$ -      | \$ 1,440   |
| Repair and Maintenance                  | \$ 733             | \$ -      | \$ 733     | \$ 733                   | \$ -      | \$ 733     | \$ -                          | \$ -      | \$ -       |
| Purchase/Depreciation                   | \$ -               | \$ -      | \$ -       | \$ -                     | \$ -      | \$ -       | \$ -                          | \$ -      | \$ -       |
| 5. Supplies:                            | \$ -               | \$ -      | \$ -       | \$ -                     | \$ -      | \$ -       | \$ -                          | \$ -      | \$ -       |
| Educational                             | \$ 667             | \$ -      | \$ 667     | \$ 500                   | \$ -      | \$ 500     | \$ 167                        | \$ -      | \$ 167     |
| Lab                                     | \$ -               | \$ -      | \$ -       | \$ -                     | \$ -      | \$ -       | \$ -                          | \$ -      | \$ -       |
| Pharmacy                                | \$ 4,000           | \$ -      | \$ 4,000   | \$ 1,667                 | \$ -      | \$ 1,667   | \$ 2,333                      | \$ -      | \$ 2,333   |
| Medical                                 | \$ 400             | \$ -      | \$ 400     | \$ 400                   | \$ -      | \$ 400     | \$ -                          | \$ -      | \$ -       |
| Office                                  | \$ 800             | \$ -      | \$ 800     | \$ 800                   | \$ -      | \$ 800     | \$ -                          | \$ -      | \$ -       |
| 6. Travel                               | \$ 1,657           | \$ -      | \$ 1,657   | \$ 1,657                 | \$ -      | \$ 1,657   | \$ -                          | \$ -      | \$ -       |
| 7. Occupancy                            | \$ 16,800          | \$ -      | \$ 16,800  | \$ 13,569                | \$ -      | \$ 13,569  | \$ 3,211                      | \$ -      | \$ 3,211   |
| 8. Current Expenses                     | \$ -               | \$ -      | \$ -       | \$ -                     | \$ -      | \$ -       | \$ -                          | \$ -      | \$ -       |
| Telephone                               | \$ 1,700           | \$ -      | \$ 1,700   | \$ 1,700                 | \$ -      | \$ 1,700   | \$ -                          | \$ -      | \$ -       |
| Postage                                 | \$ 40              | \$ -      | \$ 40      | \$ 40                    | \$ -      | \$ 40      | \$ -                          | \$ -      | \$ -       |
| Subscriptions                           | \$ -               | \$ -      | \$ -       | \$ -                     | \$ -      | \$ -       | \$ -                          | \$ -      | \$ -       |
| Audit and Legal                         | \$ -               | \$ -      | \$ -       | \$ -                     | \$ -      | \$ -       | \$ -                          | \$ -      | \$ -       |
| Insurance                               | \$ 1,000           | \$ -      | \$ 1,000   | \$ 1,000                 | \$ -      | \$ 1,000   | \$ -                          | \$ -      | \$ -       |
| Board Expenses                          | \$ -               | \$ -      | \$ -       | \$ -                     | \$ -      | \$ -       | \$ -                          | \$ -      | \$ -       |
| 9. Software                             | \$ 400             | \$ -      | \$ 400     | \$ 400                   | \$ -      | \$ 400     | \$ -                          | \$ -      | \$ -       |
| 10. Marketing/Communications            | \$ -               | \$ -      | \$ -       | \$ -                     | \$ -      | \$ -       | \$ -                          | \$ -      | \$ -       |
| 11. Staff Education and Training        | \$ 1,263           | \$ -      | \$ 1,263   | \$ 1,263                 | \$ -      | \$ 1,263   | \$ -                          | \$ -      | \$ -       |
| 12. Subcontracts/Agreements             | \$ 9,533           | \$ -      | \$ 9,533   | \$ 9,533                 | \$ -      | \$ 9,533   | \$ -                          | \$ -      | \$ -       |
| 13. Other (specific details mandatory): | \$ -               | \$ -      | \$ -       | \$ -                     | \$ -      | \$ -       | \$ -                          | \$ -      | \$ -       |
| Food                                    | \$ 6,000           | \$ -      | \$ 6,000   | \$ 6,000                 | \$ -      | \$ 6,000   | \$ -                          | \$ -      | \$ -       |
| Client Assistance                       | \$ 1,000           | \$ -      | \$ 1,000   | \$ 500                   | \$ -      | \$ 500     | \$ 500                        | \$ -      | \$ 500     |
| Onboarding Expenses                     | \$ 333             | \$ -      | \$ 333     | \$ 333                   | \$ -      | \$ 333     | \$ -                          | \$ -      | \$ -       |
|   | \$ -               | \$ -      | \$ -       | \$ -                     | \$ -      | \$ -       | \$ -                          | \$ -      | \$ -       |
| <b>TOTAL</b>                            | \$ 474,870         | \$ 74,478 | \$ 549,348 | \$ 175,684               | \$ 23,664 | \$ 199,349 | \$ 299,188                    | \$ 50,814 | \$ 350,000 |

Indirect As A Percent of Direct

Contractor Initials: *DA*  
Date: *5/3/19*

New Hampshire Department of Health and Human Services

Exhibit K - Amendment #1

DHHS Information Security Requirements



A. Definitions

The following terms may be reflected and have the described meaning in this document:

1. "Breach" means the loss of control, compromise, unauthorized disclosure, unauthorized acquisition, unauthorized access, or any similar term referring to situations where persons other than authorized users and for an other than authorized purpose have access or potential access to personally identifiable information, whether physical or electronic. With regard to Protected Health Information, "Breach" shall have the same meaning as the term "Breach" in section 164.402 of Title 45, Code of Federal Regulations.
2. "Computer Security Incident" shall have the same meaning "Computer Security Incident" in section two (2) of NIST Publication 800-61, Computer Security Incident Handling Guide, National Institute of Standards and Technology, U.S. Department of Commerce.
3. "Confidential Information" or "Confidential Data" means all confidential information disclosed by one party to the other such as all medical, health, financial, public assistance benefits and personal information including without limitation, Substance Abuse Treatment Records, Case Records, Protected Health Information and Personally Identifiable Information.

Confidential Information also includes any and all information owned or managed by the State of NH - created, received from or on behalf of the Department of Health and Human Services (DHHS) or accessed in the course of performing contracted services - of which collection, disclosure, protection, and disposition is governed by state or federal law, or regulation. This information includes, but is not limited to Protected Health Information (PHI), Personal Information (PI), Personal Financial Information (PFI), Federal Tax Information (FTI), Social Security Numbers (SSN), Payment Card Industry (PCI), and or other sensitive and confidential information.

4. "End User" means any person or entity (e.g., contractor, contractor's employee, business associate, subcontractor, other downstream user, etc.) that receives DHHS data or derivative data in accordance with the terms of this Contract.
5. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996 and the regulations promulgated thereunder.
6. "Incident" means an act that potentially violates an explicit or implied security policy, which includes attempts (either failed or successful) to gain unauthorized access to a system or its data, unwanted disruption or denial of service, the unauthorized use of a system for the processing or storage of data; and changes to system hardware, firmware, or software characteristics without the owner's knowledge, instruction, or consent. Incidents include the loss of data through theft or device misplacement, loss or misplacement of hardcopy documents, and misrouting of physical or electronic

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Handwritten date "5/30/19" written in black ink.

New Hampshire Department of Health and Human Services  
Exhibit K - Amendment #1  
DHHS Information Security Requirements



mail, all of which may have the potential to put the data at risk of unauthorized access, use, disclosure, modification or destruction.

7. "Open Wireless Network" means any network or segment of a network that is not designated by the State of New Hampshire's Department of Information Technology or delegate as a protected network (designed, tested, and approved, by means of the State, to transmit) will be considered an open network and not adequately secure for the transmission of unencrypted PI, PFI, PHI or confidential DHHS data.
8. "Personal Information" (or "PI") means information which can be used to distinguish or trace an individual's identity, such as their name, social security number, personal information as defined in New Hampshire RSA 359-C:19, biometric records, etc., alone, or when combined with other personal or identifying information which is linked or linkable to a specific individual, such as date and place of birth, mother's maiden name, etc.
9. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 C.F.R. Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.
10. "Protected Health Information" (or "PHI") has the same meaning as provided in the definition of "Protected Health Information" in the HIPAA Privacy Rule at 45 C.F.R. § 160.103.
11. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 C.F.R. Part 164, Subpart C, and amendments thereto.
12. "Unsecured Protected Health Information" means Protected Health Information that is not secured by a technology standard that renders Protected Health Information unusable, unreadable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.

**I. RESPONSIBILITIES OF DHHS AND THE CONTRACTOR**

**A. Business Use and Disclosure of Confidential Information.**

1. The Contractor must not use, disclose, maintain or transmit Confidential Information except as reasonably necessary as outlined under this Contract. Further, Contractor, including but not limited to all its directors, officers, employees and agents, must not use, disclose, maintain or transmit PHI in any manner that would constitute a violation of the Privacy and Security Rule.
2. The Contractor must not disclose any Confidential Information in response to a

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New Hampshire Department of Health and Human Services

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DHHS Information Security Requirements



request for disclosure on the basis that it is required by law, in response to a subpoena, etc., without first notifying DHHS so that DHHS has an opportunity to consent or object to the disclosure.

3. If DHHS notifies the Contractor that DHHS has agreed to be bound by additional restrictions over and above those uses or disclosures or security safeguards of PHI pursuant to the Privacy and Security Rule, the Contractor must be bound by such additional restrictions and must not disclose PHI in violation of such additional restrictions and must abide by any additional security safeguards.
4. The Contractor agrees that DHHS Data or derivative there from disclosed to an End User must only be used pursuant to the terms of this Contract.
5. The Contractor agrees DHHS Data obtained under this Contract may not be used for any other purposes that are not indicated in this Contract.
6. The Contractor agrees to grant access to the data to the authorized representatives of DHHS for the purpose of inspecting to confirm compliance with the terms of this Contract.

**II. METHODS OF SECURE TRANSMISSION OF DATA**

1. Application Encryption. If End User is transmitting DHHS data containing Confidential Data between applications, the Contractor attests the applications have been evaluated by an expert knowledgeable in cyber security and that said application's encryption capabilities ensure secure transmission via the internet.
2. Computer Disks and Portable Storage Devices. End User may not use computer disks or portable storage devices, such as a thumb drive, as a method of transmitting DHHS data.
3. Encrypted Email. End User may only employ email to transmit Confidential Data if email is encrypted and being sent to and being received by email addresses of persons authorized to receive such information.
4. Encrypted Web Site. If End User is employing the Web to transmit Confidential Data, the secure socket layers (SSL) must be used and the web site must be secure. SSL encrypts data transmitted via a Web site.
5. File Hosting Services, also known as File Sharing Sites. End User may not use file hosting services, such as Dropbox or Google Cloud Storage, to transmit Confidential Data.
6. Ground Mail Service. End User may only transmit Confidential Data via *certified* ground mail within the continental U.S. and when sent to a named individual.
7. Laptops and PDA. If End User is employing portable devices to transmit Confidential Data said devices must be encrypted and password-protected.
8. Open Wireless Networks. End User may not transmit Confidential Data via an open

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wireless network. End User must employ a virtual private network (VPN) when remotely transmitting via an open wireless network.

9. Remote User Communication. If End User is employing remote communication to access or transmit Confidential Data, a virtual private network (VPN) must be installed on the End User's mobile device(s) or laptop from which information will be transmitted or accessed.
10. SSH File Transfer Protocol (SFTP), also known as Secure File Transfer Protocol. If End User is employing an SFTP to transmit Confidential Data, End User will structure the Folder and access privileges to prevent inappropriate disclosure of information. SFTP folders and sub-folders used for transmitting Confidential Data will be coded for 24-hour auto-deletion cycle (i.e. Confidential Data will be deleted every 24 hours).
11. Wireless Devices. If End User is transmitting Confidential Data via wireless devices, all data must be encrypted to prevent inappropriate disclosure of information.

### III. RETENTION AND DISPOSITION OF IDENTIFIABLE RECORDS

The Contractor will only retain the data and any derivative of the data for the duration of this Contract. After such time, the Contractor will have 30 days to destroy the data and any derivative in whatever form it may exist, unless, otherwise required by law or permitted under this Contract. To this end, the parties must:

#### A. Retention

1. The Contractor agrees it will not store, transfer or process data collected in connection with the services rendered under this Contract outside of the United States. This physical location requirement shall also apply in the implementation of cloud computing, cloud service or cloud storage capabilities, and includes backup data and Disaster Recovery locations.
2. The Contractor agrees to ensure proper security monitoring capabilities are in place to detect potential security events that can impact State of NH. systems. and/or Department confidential information for contractor provided systems.
3. The Contractor agrees to provide security awareness and education for its End Users in support of protecting Department confidential information.
4. The Contractor agrees to retain all electronic and hard copies of Confidential Data in a secure location and identified in section IV. A.2
5. The Contractor agrees Confidential Data stored in a Cloud must be in a FedRAMP/HITECH compliant solution and comply with all applicable statutes and regulations regarding the privacy and security. All servers and devices must have currently-supported and hardened operating systems, the latest anti-viral, anti-hacker, anti-spam, anti-spyware, and anti-malware utilities. The environment, as a

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whole, must have aggressive intrusion-detection and firewall protection.

6. The Contractor agrees to and ensures its complete cooperation with the State's Chief Information Officer in the detection of any security vulnerability of the hosting infrastructure.

**B. Disposition**

1. If the Contractor will maintain any Confidential Information on its systems (or its sub-contractor systems), the Contractor will maintain a documented process for securely disposing of such data upon request or contract termination; and will obtain written certification for any State of New Hampshire data destroyed by the Contractor or any subcontractors as a part of ongoing, emergency, and or disaster recovery operations. When no longer in use, electronic media containing State of New Hampshire data shall be rendered unrecoverable via a secure wipe program in accordance with industry-accepted standards for secure deletion and media sanitization, or otherwise physically destroying the media (for example, degaussing) as described in NIST Special Publication 800-88, Rev 1, Guidelines for Media Sanitization, National Institute of Standards and Technology, U. S. Department of Commerce. The Contractor will document and certify in writing at time of the data destruction, and will provide written certification to the Department upon request. The written certification will include all details necessary to demonstrate data has been properly destroyed and validated. Where applicable, regulatory and professional standards for retention requirements will be jointly evaluated by the State and Contractor prior to destruction.
2. Unless otherwise specified, within thirty (30) days of the termination of this Contract, Contractor agrees to destroy all hard copies of Confidential Data using a secure method such as shredding.
3. Unless otherwise specified, within thirty (30) days of the termination of this Contract, Contractor agrees to completely destroy all electronic Confidential Data by means of data erasure, also known as secure data wiping.

**IV. PROCEDURES FOR SECURITY**

- A. Contractor agrees to safeguard the DHHS Data received under this Contract, and any derivative data or files, as follows:

1. The Contractor will maintain proper security controls to protect Department confidential information collected, processed, managed, and/or stored in the delivery of contracted services.
2. The Contractor will maintain policies and procedures to protect Department confidential information throughout the information lifecycle, where applicable, (from creation, transformation, use, storage and secure destruction) regardless of the media used to store the data (i.e., tape, disk, paper, etc.).

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5/30/19

New Hampshire Department of Health and Human Services

Exhibit K - Amendment #1



DHHS Information Security Requirements

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3. The Contractor will maintain appropriate authentication and access controls to contractor systems that collect, transmit, or store Department confidential information where applicable.
4. The Contractor will ensure proper security monitoring capabilities are in place to detect potential security events that can impact State of NH systems and/or Department confidential information for contractor provided systems.
5. The Contractor will provide regular security awareness and education for its End Users in support of protecting Department confidential information.
6. If the Contractor will be sub-contracting any core functions of the engagement supporting the services for State of New Hampshire, the Contractor will maintain a program of an internal process or processes that defines specific security expectations, and monitoring compliance to security requirements that at a minimum match those for the Contractor, including breach notification requirements.
7. The Contractor will work with the Department to sign and comply with all applicable State of New Hampshire and Department system access and authorization policies and procedures, systems access forms, and computer use agreements as part of obtaining and maintaining access to any Department system(s). Agreements will be completed and signed by the Contractor and any applicable sub-contractors prior to system access being authorized.
8. If the Department determines the Contractor is a Business Associate pursuant to 45 CFR 160.103, the Contractor will execute a HIPAA Business Associate Agreement (BAA) with the Department and is responsible for maintaining compliance with the agreement.
9. The Contractor will work with the Department at its request to complete a System Management Survey. The purpose of the survey is to enable the Department and Contractor to monitor for any changes in risks, threats, and vulnerabilities that may occur over the life of the Contractor engagement. The survey will be completed annually, or an alternate time frame at the Departments discretion with agreement by the Contractor, or the Department may request the survey be completed when the scope of the engagement between the Department and the Contractor changes.
10. The Contractor will not store, knowingly or unknowingly, any State of New Hampshire or Department data offshore or outside the boundaries of the United States unless prior express written consent is obtained from the Information Security Office leadership member within the Department.
11. Data Security Breach Liability. In the event of any security breach Contractor shall make efforts to investigate the causes of the breach, promptly take measures to prevent future breach and minimize any damage or loss resulting from the breach. The State shall recover from the Contractor all costs of response and recovery from

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New Hampshire Department of Health and Human Services

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DHHS Information Security Requirements



the breach, including but not limited to: credit monitoring services, mailing costs and costs associated with website and telephone call center services necessary due to the breach.

12. Contractor must, comply with all applicable statutes and regulations regarding the privacy and security of Confidential Information, and must in all other respects maintain the privacy and security of PI and PHI at a level and scope that is not less than the level and scope of requirements applicable to federal agencies, including, but not limited to, provisions of the Privacy Act of 1974 (5 U.S.C. § 552a), DHHS Privacy Act Regulations (45 C.F.R. §5b), HIPAA Privacy and Security Rules (45 C.F.R. Parts 160 and 164) that govern protections for individually identifiable health information and as applicable under State law.
13. Contractor agrees to establish and maintain appropriate administrative, technical, and physical safeguards to protect the confidentiality of the Confidential Data and to prevent unauthorized use or access to it. The safeguards must provide a level and scope of security that is not less than the level and scope of security requirements established by the State of New Hampshire, Department of Information Technology. Refer to Vendor Resources/Procurement at <https://www.nh.gov/doiit/vendor/index.htm> for the Department of Information Technology policies, guidelines, standards, and procurement information relating to vendors.
14. Contractor agrees to maintain a documented breach notification and incident response process. The Contractor will notify the State's Privacy Officer and the State's Security Officer of any security breach immediately, at the email addresses provided in Section VI. This includes a confidential information breach, computer security incident, or suspected breach which affects or includes any State of New Hampshire systems that connect to the State of New Hampshire network.
15. Contractor must restrict access to the Confidential Data obtained under this Contract to only those authorized End Users who need such DHHS Data to perform their official duties in connection with purposes identified in this Contract.
16. The Contractor must ensure that all End Users:
  - a. comply with such safeguards as referenced in Section IV A. above, implemented to protect Confidential Information that is furnished by DHHS under this Contract from loss, theft or inadvertent disclosure.
  - b. safeguard this information at all times.
  - c. ensure that laptops and other electronic devices/media containing PHI, PI, or PFI are encrypted and password-protected.
  - d. send emails containing Confidential Information only if encrypted and being sent to and being received by email addresses of persons authorized to receive such information.

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**DHHS Information Security Requirements**

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- e. limit disclosure of the Confidential Information to the extent permitted by law.
- f. Confidential Information received under this Contract and individually identifiable data derived from DHHS Data, must be stored in an area that is physically and technologically secure from access by unauthorized persons during duty hours as well as non-duty hours (e.g., door locks, card keys, biometric identifiers, etc.).
- g. only authorized End Users may transmit the Confidential Data, including any derivative files containing personally identifiable information, and in all cases, such data must be encrypted at all times when in transit, at rest, or when stored on portable media as required in section IV above.
- h. in all other instances Confidential Data must be maintained, used and disclosed using appropriate safeguards, as determined by a risk-based assessment of the circumstances involved.
- i. understand that their user credentials (user name and password) must not be shared with anyone. End Users will keep their credential information secure. This applies to credentials used to access the site directly or indirectly through a third party application.

Contractor is responsible for oversight and compliance of their End Users. DHHS reserves the right to conduct onsite inspections to monitor compliance with this Contract, including the privacy and security requirements provided in herein, HIPAA, and other applicable laws and Federal regulations until such time the Confidential Data is disposed of in accordance with this Contract.

**V. LOSS REPORTING**

The Contractor must notify the State's Privacy Officer and Security Officer of any Security Incidents and Breaches immediately, at the email addresses provided in Section VI.

The Contractor must further handle and report Incidents and Breaches involving PHI in accordance with the agency's documented Incident Handling and Breach Notification procedures and in accordance with 42 C.F.R. §§ 431.300 - 306. In addition to, and notwithstanding, Contractor's compliance with all applicable obligations and procedures, Contractor's procedures must also address how the Contractor will:

1. Identify Incidents;
2. Determine if personally identifiable information is involved in Incidents;
3. Report suspected or confirmed Incidents as required in this Exhibit or P-37;
4. Identify and convene a core response group to determine the risk level of Incidents and determine risk-based responses to Incidents; and

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New Hampshire Department of Health and Human Services

Exhibit K - Amendment #1

DHHS Information Security Requirements



5. Determine whether Breach notification is required, and, if so, identify appropriate Breach notification methods, timing, source, and contents from among different options, and bear costs associated with the Breach notice as well as any mitigation measures.

Incidents and/or Breaches that implicate PI must be addressed and reported, as applicable, in accordance with NH RSA 359-C:20.

**VI. PERSONS TO CONTACT**

A. DHHS Privacy Officer:

DHHSPrivacyOfficer@dhhs.nh.gov

B. DHHS Security Officer:

DHHSInformationSecurityOffice@dhhs.nh.gov

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STATE OF NEW HAMPSHIRE  
DEPARTMENT OF HEALTH AND HUMAN SERVICES  
DIVISION FOR BEHAVIORAL HEALTH

Jeffrey A. Meyers  
Commissioner

Katja S. Fox  
Director

129 PLEASANT STREET, CONCORD, NH 03301  
603-271-9544 1-800-852-3345 Ext. 9544  
Fax: 603-271-4332 TDD Access: 1-800-735-2964  
www.dhhs.nh.gov

October 31, 2017

His Excellency, Governor Christopher T. Sununu  
and the Honorable Council  
State House  
Concord, New Hampshire 03301

**REQUESTED ACTION**

1) Authorize the Department of Health and Human Services, Division for Behavioral Health to enter into an agreement with Harbor Homes, Inc. (Vendor # 155358) for the provision of transitional housing beds and services for adults who have severe mental illness or severe and persistent illness and who no longer meet the level of care provided by New Hampshire Hospital or a Designated Receiving Facility, in an amount not to exceed \$2,100,000 effective upon the date of Governor and Executive Council approval through June 30, 2019. 100% General Funds.

2) Contingent upon approval of Requested Action 1), authorize the Department of Health and Human Services to provide Harbor Homes, Inc. with an advance payment in an amount not to exceed \$80,300 effective upon the date of Governor and Executive Council approval.

Funds are available in State Fiscal Years 2018 and 2019 with the ability to adjust amounts within the budgets and encumbrances between State Fiscal Years through the Budget Office without Governor and Executive Council approval, if needed and justified.

05-95-92-922010-4117 HEALTH AND SOCIAL SERVICES, DEPT. OF HEALTH AND HUMAN SERVICES, HHS: BEHAVIORAL HEALTH DIV OF, BUREAU OF MENTAL HEALTH SERVICES, CMH PROGRAM SUPPORT

Harbor Homes, Inc. Vendor #155358

| State Fiscal Year | Class / Account | Class Title                    | Budget Amount      |
|-------------------|-----------------|--------------------------------|--------------------|
| 2018              | 102/500731      | Contracts for Program Services | \$1,050,000        |
| 2019              | 102/500731      | Contracts for Program Services | \$1,050,000        |
|                   |                 | <b>Contract Total:</b>         | <b>\$2,100,000</b> |

**EXPLANATION**

The purpose of this agreement is for the Contractor to develop and operate fourteen (14) transitional housing beds with wrap-around services and supports in the Nashua area.

During the 2017 legislative session, the New Hampshire General Court made investments to improve the State's mental health system. These improvements include, but are not limited to:

- 1) Establishing up to twenty (20) additional designated receiving facility beds for up to two (2) years to serve individuals with severe mental illness who meet the criteria for involuntary emergency admission;
- 2) Adding transitional and community residential beds with wrap-around services and supports;
- 3) Adding a mobile crisis team and apartments in a geographic location that has high rates of admissions to and discharges from New Hampshire Hospital;
- 4) Developing and implementing an integrated data management system to provide real-time information about the availability of involuntary and voluntary inpatient psychiatric beds in NH; and
- 5) Conducting an independent evaluation of the capacity of the current health system in NH to respond to inpatient, acute psychiatric needs of patients, including but not limited to those patients who require involuntary emergency admissions.

Pursuant to HB517, Section 190, this Contract partially meets the requirement of adding transitional housing beds in two (2), above.

The Department solicited applications from applicants to provide transitional housing and community residences. RFA-2018-DBH-03-TRANS was published on the Department's website from June 30, 2017 through August 4, 2017. The Department received three (3) applications in response to the Request for Applications. The Department scored the applications and the top two (2) scoring vendors were selected to provide services specified in the Request for Applications. The summary score sheet is attached.

Based on the applications received, the Department decided to award the first 20 beds mandated by HB517 in State Fiscal Year 2018 immediately. The Department intends to reissue an RFA for the 20 additional beds mandated by HB517 in State Fiscal Year 2019 as soon as the first 20 beds are under contract.

Harbor Homes, Inc. will provide a minimum of fourteen (14) transitional housing beds and related wrap-around services to adults who have severe mental illness or serve and persistent illness and who no longer meet the level of care provided by New Hampshire Hospital or a Designated Receiving Facility, as detailed in the attached agreement. Services will be available for a minimum of four (4) beds no later than 45 days from the date of Governor and Executive Council approval. The remaining ten (10) beds will be ready for occupancy within ninety (90) days of Governor and Executive Council approval of this agreement.

The attached agreement includes language that allows for up to two (2) years of extensions for services, subject to the continued availability of funds, satisfactory performance of services and approval by the Governor and Executive Council, as specified in Exhibit C-1, Paragraph 3.

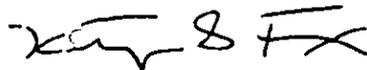
The Department plans to have a final contract for the remaining 6 beds mandated by HB517 for the December 6, 2017 Governor and Executive Council meeting. At that time, the Department will re-issue an RFA for the 20 additional beds mandated by HB517 to be operational by July 1, 2018 for State Fiscal Year 2019.

Should the Governor and Executive Council not approve this request, fourteen (14) transitional housing beds and services would not be available to individuals in need of housing who are transitioning from NH Hospital or a Designated Receiving Facility to the community which, in turn, makes those beds available to individuals who are waiting in hospital emergency rooms for services across the State.

Area served: Nashua.

Source of Funds: 100% General

Respectfully submitted,



Katja S. Fox  
Director



Approved by: Jeffrey A. Meyers  
Commissioner



New Hampshire Department of Health and Human Services  
Office of Business Operations  
Contracts & Procurement Unit  
Summary Scoring Sheet

Transitional Housing and Community  
Residential Beds

RFA-2018-DBH-03-TRANS

RFA Name

RFA Number

Reviewer Names

1. Michael Kelly, Prog Planning &  
Review Spclst, BBH
2. Sharon O'Neill, Senior Psychiatric  
Social Wrkr, NHH
3. Margaret Clifford, Administrator IV,  
OMBP

Bidder Name

1. Fellowship H.O., Inc. & Riverbend C.M.H., Inc. -  
Region 4
2. Harbor Homes, Inc. Region 6
3. NFI North - Region 4
4. NFI North - Region 3
5. NFI North - Region 1
6. NFI North - Region 10

| Maximum Points | Actual Points |
|----------------|---------------|
| 600            | 370           |
| 600            | 402           |
| 600            | 380           |
| 600            | 381           |
| 600            | 381           |
| 600            | 379           |



**STATE OF NEW HAMPSHIRE**  
**DEPARTMENT OF INFORMATION TECHNOLOGY**  
27 Hazen Dr., Concord, NH 03301  
Fax: 603-271-1516 TDD Access: 1-800-735-2964  
[www.nh.gov/doi](http://www.nh.gov/doi)

**Denis Goulet**  
*Commissioner*

November 1, 2017

Jeffrey A. Meyers, Commissioner  
Department of Health and Human Services  
State of New Hampshire  
129 Pleasant Street  
Concord, NH 03301

Dear Commissioner Meyers:

This letter represents formal notification that the Department of Information Technology (DoIT) has approved your agency's request to enter into a contract with Harbor Homes, Inc. of Nashua, NH as described below and referenced as DoIT No. 2018-104.

This is a request to enter into a contract with Harbor Homes, Inc. to develop and operate transitional housing beds with wrap-around services and supports for individuals who have been referred from New Hampshire Hospital (NHH) or Designated Receiving Facilities. Individuals served will have a severe mental illness (SMI) or severe and persistent mental illness (SPMI) and meet eligibility for community mental health services at a community.

The amount of the contract is not to exceed \$2,100,000.00, and shall become effective upon the date of Governor and Executive Council approval through June 30, 2019.

A copy of this letter should accompany the Department of Health and Human Services' submission to the Governor and Executive Council for approval.

Sincerely,

A handwritten signature in black ink, appearing to read "Denis Goulet", with a stylized flourish extending to the right.

Denis Goulet

DG/kaf  
DoIT #2018-104

cc: Bruce Smith, IT Manager, DoIT

Subject: Transitional Housing and Community Residences (RFA-2018-DBH-03-TRANS-01)

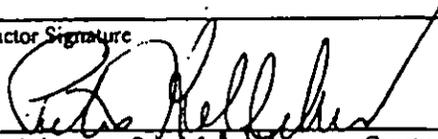
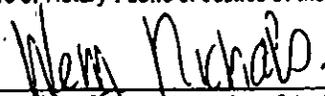
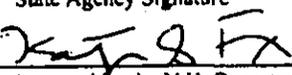
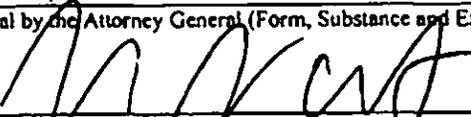
**Notice:** This agreement and all of its attachments shall become public upon submission to Governor and Executive Council for approval. Any information that is private, confidential or proprietary must be clearly identified to the agency and agreed to in writing prior to signing the contract.

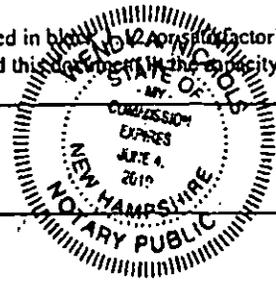
**AGREEMENT**

The State of New Hampshire and the Contractor hereby mutually agree as follows:

**GENERAL PROVISIONS**

**1. IDENTIFICATION.**

|   |  |   |  |
|---|--|---|--|
| <b>1.1 State Agency Name</b><br>NH Department of Health and Human Services  |  | <b>1.2 State Agency Address</b><br>129 Pleasant Street<br>Concord, NH 03301-3857      |  |
| <b>1.3 Contractor Name</b><br>Harbor Homes, Inc.  |  | <b>1.4 Contractor Address</b><br>77 Northeastern Blvd.<br>Nashua, NH 03062            |  |
| <b>1.5 Contractor Phone Number</b><br>603-882-3616 EXT 1103   | <b>1.6 Account Number</b><br>05-95-92-922010-41170000-102-500731 | <b>1.7 Completion Date</b><br>June 30, 2019   | <b>1.8 Price Limitation</b><br>\$2,100,000 |
| <b>1.9 Contracting Officer for State Agency</b><br>E.Maria Reinemann, Esq., Director  |  | <b>1.10 State Agency Telephone Number</b><br>603-271-9330                             |  |
| <b>1.11 Contractor Signature</b><br>  |  | <b>1.12 Name and Title of Contractor Signatory</b><br>Peter Kelleher, President & CEO |  |
| <b>1.13 Acknowledgement:</b> State of <u>NH</u> , County of <u>Hillsborough</u><br>On <u>10/31/17</u> , before the undersigned officer, personally appeared the person identified in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12. |  |   |  |
| <b>1.13.1 Signature of Notary Public or Justice of the Peace</b><br>[Seal]   |  |   |  |
| <b>1.13.2 Name and Title of Notary or Justice of the Peace</b><br>Wendy Nichols, Notary Republic  |  |   |  |
| <b>1.14 State Agency Signature</b><br>   |  | <b>1.15 Name and Title of State Agency Signatory</b><br>Katy S Fox, Director          |  |
| <b>1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable)</b><br>By: _____ Director, On: _____   |  |   |  |
| <b>1.17 Approval by the Attorney General (Form, Substance and Execution) (if applicable)</b><br>By:  On: <u>10/31/2017</u>   |  |   |  |
| <b>1.18 Approval by the Governor and Executive Council (if applicable)</b><br>By: _____ On: _____   |  |   |  |



**2. EMPLOYMENT OF CONTRACTOR/SERVICES TO BE PERFORMED.** The State of New Hampshire, acting through the agency identified in block 1.1 ("State"), engages contractor identified in block 1.3 ("Contractor") to perform, and the Contractor shall perform, the work or sale of goods, or both, identified and more particularly described in the attached EXHIBIT A which is incorporated herein by reference ("Services").

**3. EFFECTIVE DATE/COMPLETION OF SERVICES.**

3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, if applicable, this Agreement, and all obligations of the parties hereunder, shall become effective on the date the Governor and Executive Council approve this Agreement as indicated in block 1.18, unless no such approval is required, in which case the Agreement shall become effective on the date the Agreement is signed by the State Agency as shown in block 1.14 ("Effective Date").

3.2 If the Contractor commences the Services prior to the Effective Date, all Services performed by the Contractor prior to the Effective Date shall be performed at the sole risk of the Contractor, and in the event that this Agreement does not become effective, the State shall have no liability to the Contractor, including without limitation, any obligation to pay the Contractor for any costs incurred or Services performed. Contractor must complete all Services by the Completion Date specified in block 1.7.

**4. CONDITIONAL NATURE OF AGREEMENT.**

Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including, without limitation, the continuance of payments hereunder, are contingent upon the availability and continued appropriation of funds, and in no event shall the State be liable for any payments hereunder in excess of such available appropriated funds. In the event of a reduction or termination of appropriated funds, the State shall have the right to withhold payment until such funds become available, if ever, and shall have the right to terminate this Agreement immediately upon giving the Contractor notice of such termination. The State shall not be required to transfer funds from any other account to the Account identified in block 1.6 in the event funds in that Account are reduced or unavailable.

**5. CONTRACT PRICE/PRICE LIMITATION/ PAYMENT.**

5.1 The contract price, method of payment, and terms of payment are identified and more particularly described in EXHIBIT B which is incorporated herein by reference.

5.2 The payment by the State of the contract price shall be the only and the complete reimbursement to the Contractor for all expenses, of whatever nature incurred by the Contractor in the performance hereof, and shall be the only and the complete compensation to the Contractor for the Services. The State shall have no liability to the Contractor other than the contract price.

5.3 The State reserves the right to offset from any amounts otherwise payable to the Contractor under this Agreement those liquidated amounts required or permitted by N.H. RSA 80:7 through RSA 80:7-c or any other provision of law.

5.4 Notwithstanding any provision in this Agreement to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payments authorized, or actually made hereunder, exceed the Price Limitation set forth in block 1.8.

**6. COMPLIANCE BY CONTRACTOR WITH LAWS AND REGULATIONS/ EQUAL EMPLOYMENT OPPORTUNITY.**

6.1 In connection with the performance of the Services, the Contractor shall comply with all statutes, laws, regulations, and orders of federal, state, county or municipal authorities which impose any obligation or duty upon the Contractor, including, but not limited to, civil rights and equal opportunity laws. This may include the requirement to utilize auxiliary aids and services to ensure that persons with communication disabilities, including vision, hearing and speech, can communicate with, receive information from, and convey information to the Contractor. In addition, the Contractor shall comply with all applicable copyright laws.

6.2 During the term of this Agreement, the Contractor shall not discriminate against employees or applicants for employment because of race, color, religion, creed, age, sex, handicap, sexual orientation, or national origin and will take affirmative action to prevent such discrimination.

6.3 If this Agreement is funded in any part by monies of the United States, the Contractor shall comply with all the provisions of Executive Order No. 11246 ("Equal Employment Opportunity"), as supplemented by the regulations of the United States Department of Labor (41 C.F.R. Part 60), and with any rules, regulations and guidelines as the State of New Hampshire or the United States issue to implement these regulations. The Contractor further agrees to permit the State or United States access to any of the Contractor's books, records and accounts for the purpose of ascertaining compliance with all rules, regulations and orders, and the covenants, terms and conditions of this Agreement.

**7. PERSONNEL.**

7.1 The Contractor shall at its own expense provide all personnel necessary to perform the Services. The Contractor warrants that all personnel engaged in the Services shall be qualified to perform the Services, and shall be properly licensed and otherwise authorized to do so under all applicable laws.

7.2 Unless otherwise authorized in writing, during the term of this Agreement, and for a period of six (6) months after the Completion Date in block 1.7, the Contractor shall not hire, and shall not permit any subcontractor or other person, firm or corporation with whom it is engaged in a combined effort to perform the Services to hire, any person who is a State employee or official, who is materially involved in the procurement, administration or performance of this

Contractor Initials

Date

*AK*  
10/31/17

Agreement. This provision shall survive termination of this Agreement.

7.3 The Contracting Officer specified in block 1.9, or his or her successor, shall be the State's representative. In the event of any dispute concerning the interpretation of this Agreement, the Contracting Officer's decision shall be final for the State.

#### 8. EVENT OF DEFAULT/REMEDIES.

8.1 Any one or more of the following acts or omissions of the Contractor shall constitute an event of default hereunder ("Event of Default"):

8.1.1 failure to perform the Services satisfactorily or on schedule;

8.1.2 failure to submit any report required hereunder; and/or  
8.1.3 failure to perform any other covenant, term or condition of this Agreement.

8.2 Upon the occurrence of any Event of Default, the State may take any one, or more, or all, of the following actions:

8.2.1 give the Contractor a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely remedied, terminate this Agreement, effective two (2) days after giving the Contractor notice of termination;

8.2.2 give the Contractor a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the contract price which would otherwise accrue to the Contractor during the period from the date of such notice until such time as the State determines that the Contractor has cured the Event of Default shall never be paid to the Contractor;

8.2.3 set off against any other obligations the State may owe to the Contractor any damages the State suffers by reason of any Event of Default; and/or

8.2.4 treat the Agreement as breached and pursue any of its remedies at law or in equity, or both.

#### 9. DATA/ACCESS/CONFIDENTIALITY/PRESERVATION.

9.1 As used in this Agreement, the word "data" shall mean all information and things developed or obtained during the performance of, or acquired or developed by reason of, this Agreement, including, but not limited to, all studies, reports, files, formulae, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations, computer programs, computer printouts, notes, letters, memoranda, papers, and documents, all whether finished or unfinished.

9.2 All data and any property which has been received from the State or purchased with funds provided for that purpose under this Agreement, shall be the property of the State, and shall be returned to the State upon demand or upon termination of this Agreement for any reason.

9.3 Confidentiality of data shall be governed by N.H. RSA chapter 91-A or other existing law. Disclosure of data requires prior written approval of the State.

10. **TERMINATION.** In the event of an early termination of this Agreement for any reason other than the completion of the Services, the Contractor shall deliver to the Contracting Officer, not later than fifteen (15) days after the date of termination, a report ("Termination Report") describing in detail all Services performed, and the contract price earned, to and including the date of termination. The form, subject matter, content, and number of copies of the Termination Report shall be identical to those of any Final Report described in the attached EXHIBIT A.

11. **CONTRACTOR'S RELATION TO THE STATE.** In the performance of this Agreement the Contractor is in all respects an independent contractor, and is neither an agent nor an employee of the State. Neither the Contractor nor any of its officers, employees, agents or members shall have authority to bind the State or receive any benefits, workers' compensation or other emoluments provided by the State to its employees.

12. **ASSIGNMENT/DELEGATION/SUBCONTRACTS.** The Contractor shall not assign, or otherwise transfer any interest in this Agreement without the prior written notice and consent of the State. None of the Services shall be subcontracted by the Contractor without the prior written notice and consent of the State.

13. **INDEMNIFICATION.** The Contractor shall defend, indemnify and hold harmless the State, its officers and employees, from and against any and all losses suffered by the State, its officers and employees, and any and all claims, liabilities or penalties asserted against the State, its officers and employees, by or on behalf of any person, on account of, based or resulting from, arising out of (or which may be claimed to arise out of) the acts or omissions of the Contractor. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant in paragraph 13 shall survive the termination of this Agreement.

#### 14. INSURANCE.

14.1 The Contractor shall, at its sole expense, obtain and maintain in force, and shall require any subcontractor or assignee to obtain and maintain in force, the following insurance:

14.1.1 comprehensive general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than \$1,000,000 per occurrence and \$2,000,000 aggregate; and

14.1.2 special cause of loss coverage form covering all property subject to subparagraph 9.2 herein, in an amount not less than 80% of the whole replacement value of the property.

14.2 The policies described in subparagraph 14.1 herein shall be on policy forms and endorsements approved for use in the State of New Hampshire by the N.H. Department of Insurance, and issued by insurers licensed in the State of New Hampshire.

14.3 The Contractor shall furnish to the Contracting Officer identified in block 1.9, or his or her successor, a certificate(s) of insurance for all insurance required under this Agreement. Contractor shall also furnish to the Contracting Officer identified in block 1.9, or his or her successor, certificate(s) of insurance for all renewal(s) of insurance required under this Agreement no later than thirty (30) days prior to the expiration date of each of the insurance policies. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference. Each certificate(s) of insurance shall contain a clause requiring the insurer to provide the Contracting Officer identified in block 1.9, or his or her successor, no less than thirty (30) days prior written notice of cancellation or modification of the policy.

#### 15. WORKERS' COMPENSATION.

15.1 By signing this agreement, the Contractor agrees, certifies and warrants that the Contractor is in compliance with or exempt from, the requirements of N.H. RSA chapter 281-A ("*Workers' Compensation*").

15.2 To the extent the Contractor is subject to the requirements of N.H. RSA chapter 281-A, Contractor shall maintain, and require any subcontractor or assignee to secure and maintain, payment of Workers' Compensation in connection with activities which the person proposes to undertake pursuant to this Agreement. Contractor shall furnish the Contracting Officer identified in block 1.9, or his or her successor, proof of Workers' Compensation in the manner described in N.H. RSA chapter 281-A and any applicable renewal(s) thereof, which shall be attached and are incorporated herein by reference. The State shall not be responsible for payment of any Workers' Compensation premiums or for any other claim or benefit for Contractor, or any subcontractor or employee of Contractor, which might arise under applicable State of New Hampshire Workers' Compensation laws in connection with the performance of the Services under this Agreement.

16. **WAIVER OF BREACH.** No failure by the State to enforce any provisions hereof after any Event of Default shall be deemed a waiver of its rights with regard to that Event of Default, or any subsequent Event of Default. No express failure to enforce any Event of Default shall be deemed a waiver of the right of the State to enforce each and all of the provisions hereof upon any further or other Event of Default on the part of the Contractor.

17. **NOTICE.** Any notice by a party hereto to the other party shall be deemed to have been duly delivered or given at the time of mailing by certified mail, postage prepaid, in a United States Post Office addressed to the parties at the addresses given in blocks 1.2 and 1.4, herein.

18. **AMENDMENT.** This Agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment, waiver or discharge by the Governor and Executive Council of the State of New Hampshire unless no

such approval is required under the circumstances pursuant to State law, rule or policy.

#### 19. CONSTRUCTION OF AGREEMENT AND TERMS.

This Agreement shall be construed in accordance with the laws of the State of New Hampshire, and is binding upon and inures to the benefit of the parties and their respective successors and assigns. The wording used in this Agreement is the wording chosen by the parties to express their mutual intent, and no rule of construction shall be applied against or in favor of any party.

20. **THIRD PARTIES.** The parties hereto do not intend to benefit any third parties and this Agreement shall not be construed to confer any such benefit.

21. **HEADINGS.** The headings throughout the Agreement are for reference purposes only, and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Agreement.

22. **SPECIAL PROVISIONS.** Additional provisions set forth in the attached EXHIBIT C are incorporated herein by reference.

23. **SEVERABILITY.** In the event any of the provisions of this Agreement are held by a court of competent jurisdiction to be contrary to any state or federal law, the remaining provisions of this Agreement will remain in full force and effect.

24. **ENTIRE AGREEMENT.** This Agreement, which may be executed in a number of counterparts, each of which shall be deemed an original, constitutes the entire Agreement and understanding between the parties, and supersedes all prior Agreements and understandings relating hereto.



## Scope of Services

### 1. Provisions Applicable to All Services

- 1.1. The Contractor shall submit a detailed description of the language assistance services they will provide to persons with limited English proficiency to ensure meaningful access to their programs and/or services within ten (10) days of the contract effective date.
- 1.2. The Contractor agrees that, to the extent future legislative action by the New Hampshire General Court or federal or state court orders may have an impact on the Services described herein, the State Agency has the right to modify Service priorities and expenditure requirements under this Agreement so as to achieve compliance therewith.
- 1.3. The Contractor shall obtain the licenses and certifications to operate the facility pursuant to New Hampshire Administrative Rules HeP-814 and/or He-M-1002.
- 1.4. The Contractor shall be an enrolled Medicaid provider through the Department's Medicaid program.
- 1.5. In the event the Department incorporates Medicaid eligible Transitional Housing services into its agreements with the Managed Care contractors, the Department will notify the Contractor and provide the Contractor sixty (60) days to enroll as a provider of such services with the Managed Care contractors.
- 1.6. The Contractor shall provide fourteen (14) transitional housing beds in State Fiscal Year 2018 and State Fiscal Year 2019 through this contract in accordance with Exhibit A, Scope of Services. The Contractor shall ensure:
  - 1.6.1. A minimum of four (4) transitional housing beds are ready for client occupancy no later than forty-five (45) days from the contract effective date.
  - 1.6.2. The remaining ten (10) transitional housing beds are ready for client occupancy no later than ninety (90) days from the contract effective date.

### 2. Scope of Work

- 2.1. The Contractor shall develop and operate transitional housing beds with wrap-around services and supports for individuals who have been referred from New Hampshire Hospital (NHH) or Designated Receiving Facilities (DRFs) and who:
  - 2.1.1. Have a severe mental illness (SMI) or severe and persistent mental illness (SPMI) and meet eligibility for community mental health services at a community mental health center (as defined in Administrative Rule He-M 401);
  - 2.1.2. Require extensive support and rehabilitation to successfully



- transition from NHH or a DRF before moving to less restrictive alternatives in the community of their choice, and
- 2.1.3. Have been determined to no longer meet the level of care provided by NHH or a DRF.
- 2.2. The Contractor shall provide community residential services as defined in New Hampshire Administrative Rule He-M 1002, which at a minimum include:
- 2.2.1. Assistance and instruction to improve and maintain individual skills in basic daily living, personal development, and community activities by providing therapeutic behavioral services that include but are not limited to:
    - 2.2.1.1. Personal decision making;
    - 2.2.1.2. Personal care, household management, budgeting, shopping, and other functional skills;
    - 2.2.1.3. Household chores and responsibilities;
    - 2.2.1.4. Having relationships with person both with and without disabilities;
    - 2.2.1.5. Accessing a wide range of integrated community activities including recreational, cultural, and other opportunities;
    - 2.2.1.6. Participating in religious services and practices of the consumer's choosing; and
    - 2.2.1.7. Choosing and wearing clothing that is neat, clean, in good repair, and appropriate to the season and activity.
  - 2.2.2. Individual service plans for consumers that are developed in accordance with New Hampshire Administrative Rules He-M 401 and He-M 408.
  - 2.2.3. Illness Management and Recovery Services provided on an individual and group basis, in accordance with New Hampshire Administrative Rule He-M 426, which teach strategies for:
    - 2.2.3.1. Recovery;
    - 2.2.3.2. Practical facts about mental illness;
    - 2.2.3.3. The stress-vulnerability model and treatment strategies;
    - 2.2.3.4. Building social supports;
    - 2.2.3.5. Reducing relapses;
    - 2.2.3.6. Using medication effectively;
    - 2.2.3.7. Coping with stress;
    - 2.2.3.8. Coping with problems and symptoms;



- 2.2.3.9. Getting your needs met in the mental health system; and
- 2.2.3.10. Assessing for Drug and Alcohol use.
- 2.2.4. Psychotherapeutic Services in accordance with New Hampshire Administrative Rules He-M 426, which includes sex offender treatment.
- 2.2.5. Targeted Case Management (TCM) Services In accordance with New Hampshire Administrative Rules He-M 426 in order to:
  - 2.2.5.1. Ensure continuity of care by assisting consumers gain access to needed medical, social, educational, and other services on a one-to-one basis to help them transition back to their homes and communities; and
  - 2.2.5.2. Assist consumers with completing applications for all appropriate sources of financial, medical, and housing assistance including, but not limited to:
    - 2.2.5.2.1. Medicaid.
    - 2.2.5.2.2. Medicare.
    - 2.2.5.2.3. Social Security Disability Income.
    - 2.2.5.2.4. Public Housing subsidies.
    - 2.2.5.2.5. Section 8 subsidies.
- 2.2.6. An Adult Needs and Strengths Assessment (ANSA) for each consumer, as well as enter results into the Department's data collection system:
  - 2.2.6.1. Upon admission to the program.
  - 2.2.6.2. Ninety (90) days after admission as part of the individual service plan review.
  - 2.2.6.3. Every 6 months after admission.
  - 2.2.6.4. Annually after the first year from the date of the initial assessment.
- 2.2.7. Evidence Based Supported Employment Services in accordance with New Hampshire Administrative Rule He-M 426 to consumers who ask to seek competitive employment.
- 2.2.8. Psychiatric Evaluation and Management Services in accordance with New Hampshire Administrative Rule He-M 426, which shall be provided by a qualified psychiatrist, Advanced Practice Registered Nurse (APRN) or Physician's Assistant (PA), for the purposes of assessment and treatment of consumers in the program.
- 2.2.9. Medical Services provided by Registered Nurses (RN) will be delivered on site Monday through Friday during the hours of 8:00 am



to 10:00 pm and on Saturdays and Sundays during the hours of 8:00 am to 4:30 pm, subject to the following requirements or as otherwise indicated:

- 2.2.9.1. Transitional Housing Services RNs and behavioral health staff shall provide input into the annual review of individual's health history, health status, and supports identified or needed to maintain physical, mental and social well-being as provided by a primary care provider of the individual's choosing, and with the individual's consent.
- 2.2.9.2. Instruction in and assistance with in taking prescribed medications independently, in accordance with Exhibit A-1, Administration of Medications in the Transitional Housing Program.
- 2.2.9.3. Residential staff trained by the Nurse Trainer to provide services in Section 2.2.9.2, above.
- 2.2.9.4. All RN-level medical services, within the hours specified in Section 2.2.9. The Contractor shall have an adequate number of nurses to float/travel between sites to respond to client needs in a timely manner.
- 2.2.9.5. Non-RN level staff including, but not limited to, support staff, Licensed Nursing Assistants, and other providers, to provide non-RN level medical services under the supervision of RNs or other qualified medical providers.
- 2.2.9.6. Primary care clinical staff and home health care staff that provide per diem coverage in the event that additional nursing staff is needed during the above referenced hours, as well as 24/7 coverage through on-call coverage.
- 2.2.10. Qualified staff on site, 24 hours a day, 7 days per week for all transitional housing residents. Staff shall be trained by a Nurse Trainer.
- 2.2.11. Medical Services/Medications shall be administered in accordance with Exhibit A-1, Medication Administration in the Transitional Housing Program.
- 2.2.12. Emergency Services available twenty-four (24) hours per day, seven (7) days per week for both medical and psychiatric needs. Services shall include, but not be limited to:
  - 2.2.12.1. An on-call clinician for evenings, weekends and holidays to provide crisis intervention, coordinate Involuntary Emergency Admission petitions in accordance with Revised Statutes Annotated (RSA)135-C:28 Emergency



Exhibit A

Treatment and revocation of conditional discharges in accordance with RSA 135-C:51, III) when required.

2.2.12.2. A Registered Nurse available or on-call to:

2.2.12.2.1. Provide education problem solving and support regarding medications.

2.2.12.2.2. Respond to health related concerns.

2.2.12.3. A nurse available on-call the remainder of each day, weekends and holidays to:

2.2.12.3.1. Provide education, problem solving and support regarding medications.

2.2.12.3.2. Respond to health related concerns.

2.2.13. Specialized Treatments, such as sex offender services and/or Risk Assessment evaluations, for consumers who have co-occurring disorders, are in need of sex offender treatment, or have other court mandated treatments.

2.2.14. Wellness Management that includes, but is not limited to, access to services and activities such as the "Healthy Choices-Healthy Changes" designed to improve physical health, and provide smoking cessation programs.

2.3. The Contractor shall accept consumer referrals from the New Hampshire Hospital (NHH), Designated Receiving Facilities (DRFs), and the Community Mental Health Centers (when approved by the Department).

2.4. The Contractor shall prioritize consumers referred by New Hampshire Hospital and Designated Receiving Facilities by having a referral, admissions, and evaluation process approved by the Department that:

2.4.1. Places current inpatient individuals at New Hampshire Hospital ahead of any and all community based referrals.

2.4.2. Includes a written referral protocol that includes a review / evaluation of the individual current situation, assessment of need and disposition.

2.4.3. Responds to all referrals, in writing within fourteen (14) business days of receipt, as to the consumer's disposition, (acceptance or denial) into the Transitional Housing Program Services, including any contingencies placed on the acceptance or, if the referral is denied, the reason for denial. An unreasonable denial, as determined by the Department, shall constitute an event of default.

2.4.4. Establishes an admission process that:

2.4.4.1. Ensures successful entry of accepted referrals into the program.

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- 2.4.4.2. Includes a communications plan that outlines the reasons, both verbally and in writing, that referrals were unsuccessful.
- 2.5. The Contractor shall have a discharge process for consumers who are discharged from the Transitional Housing Program Services that:
- 2.5.1. Ensures participation in discharge planning meetings with community mental health centers, New Hampshire Hospital, and other providers.
  - 2.5.2. Includes a written discharge plan that details an evaluation of the consumers' current situation, disposition and transition plan for moving back in to the community.
  - 2.5.3. Retains the individual's bed, in the event that an individual's conditional discharge is revoked, which would result in a temporary readmission to NHH.
  - 2.5.4. Demonstrates development and implementation of a collaborative relationship with the community mental health program to develop the terms of conditional discharges pursuant to RSA 135-C:50 and He-M 609, and to develop treatment plans designed to return each consumer to the community.
  - 2.5.5. In the event the Contractor is unable to successfully provide the documentation applicable to 2.5.4. within thirty (30) days, the Contractor shall notify and seek technical assistance from the Department to develop an appropriate remedy within ninety (90) days.
- 2.6. The Contractor shall provide the written processes for referrals, admissions, evaluations and discharges outlined in Section 2.4 and Section 2.5 to the Department no later than thirty (30) days from the contract effective date.
- 2.7. The Contractor shall assist the Pre-Admission Screening and Annual Resident Review (PASARR) Office of the Department in meeting the requirements of the PASARR provisions of the Omnibus Budget Reconciliation Act of 1987 by providing the information necessary to determine the existence of mental illness or mental retardation by conducting individual evaluations and examinations needed to determine if a person being screened or reviewed requires nursing facility care and has active treatment needs.
- 2.8. The Contractor shall designate a staff member to perform the responsibilities of a complaint manager in accordance with New Hampshire Administrative Rule He-M 204.
- 2.9. The Contractor shall submit a plan to the Department, within thirty (30) days of the contract effective date that details how consumers will be transitioned back into the community. The transition plan shall include, but not be limited to:



- 2.9.1. Procedures for moving existing program participants into more integrated community settings and where possible.
  - 2.9.2. A person-centered plan developed in collaboration with the individual that incorporates the individual's needs, and safety of themselves and the public in accordance with New Hampshire Administrative Rule He-M 401.
  - 2.9.3. A plan to collaborate with the individual's local community mental health program and peer support agencies to provide other services and supports in the community.
  - 2.9.4. Involvement of the individual's family to support integration into the community, with the individual's consent.
  - 2.9.5. Processes to identify any barriers to placement in the community, with emphasis on the interventions necessary to promote more opportunities for community integration.
- 2.10. The Contractor shall develop individualized service plans to ensure individuals have access to services that promote the values of recovery and resiliency by utilizing a strength-based approach and person-centered service planning, in accordance with He-M 401.
  - 2.11. The Contractor shall utilize individual service plans to assist individuals with identifying, cultivating and sustaining relationships with peers, family members, neighbors, landlords, employers, and others in order to create a network of support that builds resiliency as well as strength-based recovery and wellness skills.
  - 2.12. The Contractor shall ensure individuals have access to a local primary care physician (PCP), within thirty (30) days from the effective date of the contract. The Contractor shall:
    - 2.12.1. Coordinate care for each individual receiving services.
    - 2.12.2. Obtain written consent from program participants to exchange health information at regular intervals with the PCP.
  - 2.13. The Contractor shall assess the legal commitment status of individual residing in the program and, if deemed appropriate, provide:
    - 2.13.1. The continuation of the commitment via the proper legal process.
    - 2.13.2. Coordination of care with the legal system when indicated including, but not limited to, the NH Department of Corrections, and the NH Attorney General's Office.
  - 2.14. The Contractor shall remain compliant with all state and federal laws, rules and regulations pertaining to the licensure and operation of a community residential program.
  - 2.15. The Contractor shall perform, or cooperate in the performance of, quality improvement and/or utilization review activities determined to be necessary



and appropriate by the Department, within timeframes specified by the Department, in order to insure the efficient and effective administration of the Medicaid program. This shall include, but is not limited to:

- 2.15.1. Maintaining detailed consumer records as required by New Hampshire Administrative Rule He-M 408. (In the event that a Transitional Housing Program Services consumer becomes an inpatient at NHH, the Contractor shall be deemed in compliance with New Hampshire Administrative Rule He-M 408, if the consumer's inpatient status is noted in the record.)
- 2.15.2. Submitting data needed to comply with federal reporting requirements to the Department.
- 2.16. The Contractor shall collect contributions for clothing, food and housing from each consumer. The Contractor shall:
  - 2.16.1. Collect a maximum of 30% of income from each consumer which shall be applied toward the consumer's cost of clothing, food, and housing.
  - 2.16.2. Submit the written method, process and procedure for calculating, collecting, accounting for and maintaining records of each consumer's contribution collected as specified in Section 2.16.1, above to the Department for approval no later than ten (10) days from the contract effective date.
- 2.17. The Contractor shall submit an Emergency Plan to the Department for approval no later than ten (10) days from the contract effective date that ensures consumers' safety in the event of a natural, intentional or accidental incident or threat.

### 3. Staffing

- 3.1. The Contractor shall maintain staffing levels that ensure consumer, staff and community safety and include, but are not limited to:
  - 3.1.1. One Medical Director who:
    - 3.1.1.1. Possesses a valid license to practice medicine in New Hampshire and meet the requirements of RSA 135-C: 2, XIII.
    - 3.1.1.2. Is board eligible or board certified in psychiatry according to the regulations of the American Board of Psychiatry and Neurology, Inc., or its successor organization at the time of hiring.
    - 3.1.1.3. Maintains board eligibility or certification in Section 3.1.1.2, above, throughout his/her tenure as medical director.
  - 3.1.2. One Administrator or Director who is responsible for the day-to-day



- management, supervision, and operation of the residence.
- 3.1.3. One Registered Nurse, licensed in accordance with RSA 326-B, who is responsible for the overall delivery and supervision of nursing services.
  - 3.1.4. One Nurse Trainer to provide supervision to any staff member who is authorized to administer medications.
  - 3.1.5. A sufficient number of personnel to provide nursing services, consisting of registered nurses, licensed practical nurses, and other staff. (Nurses shall be registered as required by RSA 326-B.)
  - 3.1.6. A sufficient number of direct care personnel to meet the 24-hour scheduled and unscheduled needs of the consumers in accordance with the consumers' individual service plans, which shall include but not be limited to, one (1) direct care staff member per residence per shift when a consumer is occupying the residence.
- 3.2. The Contractor shall ensure clinical staff working within Transitional Housing Program Services are certified in the administration of the Adult Needs and Strengths Assessment (ANSA) using either:
- 3.2.1. The State web-based training and certification program; or
  - 3.2.2. In-person attendance at a State sponsored training.
- 3.3. The Contractor shall maintain employee files ensuring credentials for each staff is available upon Department request.
- 3.4. The Contractor shall submit a staffing contingency plan to the Department for approval no later than thirty (30) days from the contract effective date, which shall include, but is not limited to:
- 3.4.1. The process for replacing personnel in the event of loss of personnel, including but not limited to time frames for obtaining qualified replacements.
  - 3.4.2. The plan to allocate additional resources to the contract in the event any performance standard is not met.
  - 3.4.3. Capabilities to provide, in a timely manner, replacements/additions with comparable experience; and
  - 3.4.4. Method of bringing replacements/additions up-to-date regarding this Agreement.

#### 4. Reporting

- 4.1. The Contractor shall meet with the Department at least quarterly, or as requested by the Department, to review the progress of consumers toward independent living.
- 4.2. The Contractor shall submit quarterly (January through March, April through June, July through September, and October through December) reports to

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the Department by the 15th of the month following the end of the quarter. Quarterly reports shall contain information that includes, but is not limited to:

- 4.2.1. The number of people referred and admitted to Transitional Housing Program Services;
  - 4.2.2. The number of people discharged from the Transitional Housing Program Services; and
  - 4.2.3. The number of people transitioned into the community.
- 4.3. The Contractor shall submit monthly Balance Sheets and Profit and Loss Statements to the Department for review of fiscal integrity. The Contractor shall ensure the Profit and Loss Statements:
- 4.3.1. Include a budget column that allows for a budget-to-actual analysis
  - 4.3.2. Are submitted within thirty (30) days after the last day of the previous month.
  - 4.3.3. Based on the accrual method of accounting.
  - 4.3.4. Include the Contractor's total revenues and expenditures whether or not generated by or resulting from funds provided pursuant to this contract.

## 5. Deliverables

- 5.1. The Contractor shall ensure a minimum of four (4) transitional housing beds and related services described in Exhibit A, Scope of Services, are ready for client occupancy no later than forty-five (45) days from the contract effective date.
- 5.2. The Contractor shall ensure the remaining ten (10) transitional housing beds and related services described in Exhibit A, Scope of Services, are ready for client occupancy no later than ninety (90) days from the contract effective date.
- 5.3. The Contractor shall enter data from the Adult Needs and Strengths Assessments (ANSAs) in Section 2.2.6 into the Department's data collection system within five (5) days of completing each assessment.
- 5.4. The Contractor shall provide written processes for referrals, admissions and evaluations and discharges outlined in Section 2.4 and Section 2.5 to the Department no later than thirty (30) days from the contract effective date.
- 5.5. The Contractor shall provide a general community transition plan, as specified in Section 2.9, that details how consumers will be transitioned back into the community to the Department no later than thirty (30) days from the contract effective date.
- 5.6. The Contractor shall ensure all consumers receiving services have access to a local primary care physician, as specified in Section 2.12, within thirty (30) days from the contract effective date.



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- 5.7. The Contractor shall submit the written method, process and procedure for calculating, collecting, accounting for and maintaining records of each consumer's contribution collected, as specified in Section 2.16.1, to the Department no later than ten (10) days from the contract effective date.
  - 5.8. The Contractor shall submit the staffing contingency plan in Section 3.4 to the Department no later than thirty (30) days from the contract effective date.

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Administration of Medications in the Transitional Housing Program

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**1. Purpose.**

- 1.1. The purpose of the rule is to ensure the safe administration of medications by providers to individuals who reside in community residences certified under He-M 1002.

**2. Definitions.**

- 2.1. **"Administration"** means an act whereby a single dose of a drug is instilled into the body of, applied to the body of, or otherwise given to a person for immediate consumption or use.
- 2.2. **"Authorized provider"** means a person who is employed by, has a contract with, or receives remuneration from a "Community mental health provider" to deliver services to an individual
- 2.3. **"Community mental health program"** CMHP means a program operated by the state, city, town, county, or a community-based New Hampshire nonprofit corporation for the purpose of planning, establishing, and administering an array of community-based, mental health services pursuant to He-M 403 and as defined in RSA 135-C:2, 1V.
- 2.4. **"Community mental health provider"** means a Medicaid provider of community mental health services that has been previously approved by the commissioner to provide specific mental health services pursuant to He-M 426.
- 2.5. **"Community residence"** means a residence, exclusive of any independent living arrangement, that
- 2.5.1. Provides residential services in accordance with He-M 426 and He-M 1002 for at least one individual with a mental illness;
- 2.5.2. Provides services and supervision for individuals on-site 24 hours a day, 7 days a week or at all times that individuals are in the residence, unless an individual's ISP states that he or she may be left alone;
- 2.5.3. Serves individuals whose services are funded by the department; and
- 2.5.4. Is certified pursuant to He-M 1002.
- 2.6. **"Competent"** means having the integration of knowledge, judgment and skills necessary to provide safe medication administration.
- 2.7. **"Controlled drug"** means a drug which is included in schedules I, II, III, IV, or V of part B of the Controlled Substances Act 21 U.S.C. 811-



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Administration of Medications in the Transitional Housing Program

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- 2.8. **"Deficiency"** means a determination made by department staff, as a result of a program review pursuant to He-M 1002.13, that a program is not operating in compliance with a particular administrative rule adopted by the department.
- 2.9. **"Department"** means the New Hampshire department of health and human services.
- 2.10. **"Director"** means the director of the division of behavioral health or his or her designee.
- 2.11. **"Division"** means the division of behavioral health.
- 2.12. **"Independent living arrangement"** means a situation where an individual does not receive daily and ongoing services and supervision but receives assistance, as needed, to maintain or develop skills to live independently and prevent circumstances that could necessitate a transfer to a more restrictive level of care.
- 2.13. **"Individual"** means a person with a mental illness who receives services from a community mental health program or community mental health provider in a community residence.
- 2.14. **"Guardian"** means the parent of a child under the age of 18 whose parental rights have not been terminated under RSA 170-C or a person appointed to be guardian of the person under RSA 464-A.
- 2.15. **"Licensed person"** means a registered nurse, a licensed practical nurse, an advanced registered nurse practitioner, a physician, a pharmacist, a physician assistant, or a dentist licensed in the state of New Hampshire.
- 2.16. **"Medical director"** means the medical director of the division or his or her designee.
- 2.17. **"Medication"** means a drug prescribed for an individual by a prescribing practitioner including drugs to be taken on a PRN basis and over-the-counter drugs.
- 2.18. **"Medication log"** means a written record of medications prescribed for, and administered to, an individual.
- 2.19. **"Medication occurrence"** means any deviation in the administration of a medication as prescribed or in related documentation with the exception of a deviation caused by an individual's:
- 2.19.1. Refusal to take medication;



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- 2.19.2. Absence from a community residence; or
- 2.19.3. Attempting to use prescribed medication while under the influence of alcohol or illegal drugs.
- 2.20. **"Medication order"** means directions provided by a prescribing practitioner, either in writing or verbally, for a specific drug to be administered to an individual.
- 2.21. **"Mental illness"** means mental illness as defined in RSA 135-C:2, namely "a substantial impairment of emotional processes, or of the ability to exercise conscious control of one's actions, or of the ability to perceive extremely abnormal behavior or extremely faulty perceptions."
- 2.22. **"Nurse Trainer"** means a registered nurse who has been designated as a trainer
- 2.23. **"PRN medication"** means a drug ordered to be taken as needed for a specific condition.
- 2.24. **"Prescribing practitioner"** means a licensed professional with prescriptive authority, including the following:
  - 2.24.1. Physician;
  - 2.24.2. Advanced registered nurse practitioner (A.R.N.P.);
  - 2.24.3. Dentist;
  - 2.24.4. Physician's assistant;
  - 2.24.5. Optometrist; and
  - 2.24.6. Podiatrist.
- 2.25. **"Provider"** means a person who is employed by, has a contract with, or receives any form of remuneration from a community mental health provider to deliver services to an individual.

**3. Medication Administration.**

- 3.1. Administration of medications to individuals shall be performed by authorized providers or licensed persons only.
- 3.2. All individuals shall be initially assessed by a licensed physician, A.R.N.P., physician assistant, or nurse trainer to determine the level of support needed specific to medication administration.
- 3.3. The assessment pursuant to (b) above shall include the individual's:
  - 3.3.1. Medication orders and medications prescribed;



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- 3.3.2. Health status and health history;
- 3.3.3. Ability to self-medicate
- 3.3.4. Ability to understand
- 3.4. If a guardian with authority regarding health care decisions has been appointed for an individual, the "Community mental health provider" shall obtain the consent of the guardian prior to the administration of medications.
- 3.5. Authorized providers shall administer only those medications for which there is a medication order.
- 3.6. Authorized providers shall maintain a copy of each individual's medication orders in the individual's record.
- 3.7. Authorized providers shall administer PRN medication in accordance with:
  - 3.7.1. A medication order; and
  - 3.7.2. A PRN protocol approved by the prescribing practitioner or the nurse trainer that includes:
    - 3.7.2.1. The specific condition(s) for which the medication is given;
    - 3.7.2.2. A maximum daily dosage; and
    - 3.7.2.3. Any special instructions.
- 3.8. Authorized providers shall administer medications only to the individuals to whom they are regularly assigned or about whom they have current knowledge relative to their medication regimes.
- 3.9. Information specific to each medication shall be obtained by the authorized provider prior to administration of medications, including, at a minimum:
  - 3.9.1. The purpose and effect(s) of the medication;
  - 3.9.2. Response time of the medication;
  - 3.9.3. Possible side effects, adverse reactions, and symptoms of overdose;
  - 3.9.4. Possible medication interactions; and
  - 3.9.5. Special storage or administration procedures.
- 3.10. In the event of discovery of a medication occurrence, an authorized provider shall:



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- 3.10.1. Consult immediately with a licensed person concerning any actions to be taken;
- 3.10.2. Document each medication occurrence within 8 hours of discovery of the occurrence; and
- 3.10.3. Forward the documentation to the nurse trainer within one business day.
- 3.11. In the event of medication refusal, the authorized provider shall:
  - 3.11.1. Consult immediately with a licensed person concerning any actions to be taken;
  - 3.11.2. Document each medication occurrence pursuant within 8 hours of discovery of the refusal; and
  - 3.11.3. Forward the documentation to the nurse trainer within one business day.
- 3.12. In those cases where an individual has a history of medication refusal, immediate consultation and documentation pursuant to 3.11 above shall not be necessary if a protocol has been developed by the individual's treatment team that includes the actions to be taken to address the refusal and has been approved by the prescribing practitioner and, if applicable, guardian.
- 3.13. Copies of medication occurrence and medication refusal reports shall be maintained in the quality improvement office at the "Community mental health provider".

**4. Self-Medication.**

- 4.1. Individuals who wish to take their own medications, with their guardians' approval, if applicable, shall be determined to be self-medicating by a licensed physician, A.R.N.P., physician assistant, or nurse trainer if they demonstrate the ability to:
  - 4.1.1. Identify each medication;
  - 4.1.2. Indicate the purpose of each medication;
  - 4.1.3. Indicate the dosage, frequency, time and route of administration for each medication;
  - 4.1.4. Demonstrate an understanding of the potential consequences of not taking the medication or of not taking the medication properly;
  - 4.1.5. Indicate circumstances for which assistance should be sought from licensed persons; and



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- 4.1.6. Seek assistance, if needed, from licensed persons.
- 4.2. If individuals do not demonstrate the ability to self-medicate pursuant to (a) above but wish to receive education regarding self-medication, then:
  - 4.2.1. The individual service plan shall document the individual's need for such education;
  - 4.2.2. The education shall precede self-medication and include, minimally, the components outlined in (a)(1)-(6) above; and
  - 4.2.3. Until an individual demonstrates the capability to self-medicate, the individual receiving education shall be directly supervised by a licensed person or an authorized provider when taking medications to prevent medication occurrences.
- 4.3. If an individual's physical or mental health declines such that his or her ability to self-administer is affected, the individual shall be re-assessed by a licensed physician, A.R.N.P., physician assistant, or nurse trainer to determine his or her continued capability to self-medicate.
- 4.4. Documentation by the nurse trainer and, if applicable, guardian approval of self-medication ability shall be maintained in the individual's record at the community residence.

**5. Training and Authorization of Providers.**

- 5.1. Providers who request training to be authorized to administer medications shall complete a training program that:
  - 5.1.1. Consists of a minimum of 8 hours of classroom training, exclusive of testing or nurse trainer competency evaluation;
  - 5.1.2. Is conducted by a nurse trainer; and
  - 5.1.3. Covers the following topics:
    - 5.1.3.1. The role, responsibilities and performance of the authorized provider in the medication administration process;
    - 5.1.3.2. Principles of emergency response;
    - 5.1.3.3. Effective health care coordination;
    - 5.1.3.4. Rights regarding accepting or refusing medications;
    - 5.1.3.5. Principles of infection control as they relate to medication administration;



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- 5.1.3.6. Anatomy and physiology as they relate to medication administration;
- 5.1.3.7. Common reactions to medications;
- 5.1.3.8. Categories of medications and their effects;
- 5.1.3.9. Effective management of poisoning or medication overdose;
- 5.1.3.10. Storage and disposal of medications;
- 5.1.3.11. Communications with individuals and if applicable, their guardians, about their medications;
- 5.1.3.12. The 6 principles of medication administration including:
  - 5.1.3.12.1. The correct medication;
  - 5.1.3.12.2. The correct dosage of the medication;
  - 5.1.3.12.3. The medication to the correct individual;
  - 5.1.3.12.4. The medication at the correct time;
  - 5.1.3.12.5. The medication to the individual by the correct method; and
  - 5.1.3.12.6. The accurate documentation;
- 5.1.3.13. Methods of administration, including:
  - 5.1.3.13.1. Oral;
  - 5.1.3.13.2. Topical;
  - 5.1.3.13.3. Inhalant;
  - 5.1.3.13.4. Sublingual;
  - 5.1.3.13.5. Transdermal;
  - 5.1.3.13.6. Nasal;
  - 5.1.3.13.7. Ocular;
  - 5.1.3.13.8. Auricular;
  - 5.1.3.13.9. Vaginal;
  - 5.1.3.13.10. Rectal; and
  - 5.1.3.13.11. When indicated by the needs of the individual;



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- 5.1.3.13.11.1. Subcutaneous;
- 5.1.3.13.11.2. Intramuscular, only if epinephrine via auto injector; and
- 5.1.3.13.11.3. Enteral; and
- 5.1.3.14. Methods of documenting:
  - 5.1.3.14.1. The administration of medications;
  - 5.1.3.14.2. The use of controlled substances; and
  - 5.1.3.14.3. Medication occurrences.
- 5.2. To be authorized to administer medications, providers shall have:
  - 5.2.1. Completed a minimum of 8 hours of classroom training as set forth as set forth in 5.1 above;
  - 5.2.2. Scored 80% or higher, on a written examination based on the information conveyed to them in the training referenced in 5.1 above; and
  - 5.2.3. Demonstrated knowledge of the following pertaining to each individual's medication(s):
    - 5.2.3.1. The name of the medication;
    - 5.2.3.2. The reason for its use;
    - 5.2.3.3. Any side effects or adverse reactions; and
    - 5.2.3.4. Any special instructions such as giving certain fluids, checking pulse rate or monitoring blood levels; and
  - 5.2.4. Following direct observation by a nurse trainer, been found appropriate, pursuant to Nur 404.06(b)-(f), to be authorized to administer medications:
- 5.3. Authorization pursuant to (b) above shall be valid for one year from the date of issuance.
- 5.4. Whenever a change in an individual's medication occurs or a new individual begins to receive services, the nurse trainer shall educate the authorized provider according to "Training and Authorization of Providers" section above.
- 5.5. Re-authorization of an authorized provider shall:
  - 5.5.1. Follow a nurse trainer's direct observation of the provider in the administration of medication;



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- 5.5.2. Be performed in accordance with Nur 404.06(b)-(f), as applicable; and
- 5.5.3. Be valid for a period of 12 months from the date of issuance.
- 5.6. Documentation of authorization pursuant to 5.2.4 and 5.5 above shall be maintained by the nurse trainer for each authorized provider.
- 5.7. Authorization of providers to administer medication shall be rescinded pursuant to Nur 404.06(g)-(h). Authorization shall be reinstated pursuant to "Training and Authorization of Provider" section above.

**6. Documentation.**

- 6.1. For each individual for whom medications are administered, an authorized provider shall maintain documentation of medication administration that includes:
  - 6.1.1. The name of the individual;
  - 6.1.2. If applicable, the guardian's name and contact information;
  - 6.1.3. Emergency contacts;
  - 6.1.4. Allergies, if applicable; and
  - 6.1.5. For each medication prescribed:
    - 6.1.5.1. The name of the individual;
    - 6.1.5.2. The dosage;
    - 6.1.5.3. The frequency of administration;
    - 6.1.5.4. The route of administration;
    - 6.1.5.5. The date and time of administration;
    - 6.1.5.6. The order date; and
    - 6.1.5.7. Special considerations in taking the medication, if applicable, as directed by the prescribing practitioner or the pharmacist.
- 6.2. Documentation of medication administration shall be completed by the authorized provider at the time medications are administered.
- 6.3. Each authorized provider who administers medications to an individual shall enter his or her full signature, credentials and initials in a section designated for such purpose in the individual's current medication log.
- 6.4. When a PRN medication is administered, documentation shall be



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- pursuant to 6.1 above and also include the reason for administration and the medication's effectiveness.
- 6.5. When a controlled drug is prescribed for an individual, the authorized provider shall maintain an inventory that includes:
- 6.5.1. The name of the individual;
  - 6.5.2. The name of the prescribing practitioner;
  - 6.5.3. The name of the drug and strength;
  - 6.5.4. The amount used;
  - 6.5.5. Amount remaining;
  - 6.5.6. The time and date administered;
  - 6.5.7. The name and credentials of the person who administered the medication;
  - 6.5.8. Documentation of a daily count; and
  - 6.5.9. If applicable, documentation of disposal in the presence of 2 people, at least one of whom is a licensed person.
- 6.6. An authorized provider shall document:
- 6.6.1. (1) Each medication occurrence upon discovery; and
  - 6.6.2. (2) An individual's refusal to take medications, except as noted "Medication Administration" section paragraph 3.12.
- 6.7. Documentation required pursuant to 6.6 above shall, at a minimum, include the following:
- 6.7.1. The individual's name;
  - 6.7.2. The date and time of the occurrence or refusal;
  - 6.7.3. The drug name, dosage, frequency, route of administration and prescribing practitioner;
  - 6.7.4. A description of the occurrence or refusal;
  - 6.7.5. The date and time of notification of a licensed person
  - 6.7.6. Actions recommended by the licensed person;
  - 6.7.7. Actions taken by the authorized provider; and
  - 6.7.8. The date and time of notification of a nurse trainer.
- 6.8. Changes in medication orders shall be documented on the medication log by licensed persons or authorized providers.



Exhibit A -1

Administration of Medications in the Transitional Housing Program

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- 6.9. The authorized provider shall report all changes in medication orders to the nurse trainer.
- 6.10. The authorized provider shall note, in the medication log, any medication withheld and the reason(s) the medication was withheld.
- 6.11. The requirements of 6.1 through 6.9 above shall not apply to individuals who self-medicate

**7. Storage of Medications.**

- 7.1. All medications to be administered by an authorized provider shall be kept in a locked container, cabinet or closet.
- 7.2. All controlled drugs to be administered by the authorized provider shall be stored in a locked compartment within a locked container, cabinet or closet.

**8. Quality Review.**

- 8.1. A registered nurse or licensed practical nurse shall, at least monthly, review the following for all individuals whose medications are administered by authorized providers:
  - 8.1.1. Documentation that the provider administering the medication(s) holds a current authorization;
  - 8.1.2. Medication orders and PRN protocols;
  - 8.1.3. Medication labels and medications listed on the medication log to ensure that they match prescribing practitioner's orders;
  - 8.1.4. Medication logs to ensure that documentation indicates:
    - 8.1.4.1. That medication was administered as prescribed;
    - 8.1.4.2. Refusal by the individual to take medication, if applicable;
    - 8.1.4.3. Any medication occurrences; and
    - 8.1.4.4. The full signatures and credentials of all persons who initial the log; and
  - 8.1.5. Medication storage to ensure compliance with "Storage of Medication" section
- 8.2. Reviews pursuant to 8.1 above shall be documented, dated and signed by the nurse and retained for at least 6 years by the community mental health program.

**9. Designation of Nurse Trainers.**



Exhibit A -1

Administration of Medications in the Transitional Housing Program

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- 9.1. The director shall, upon request, grant designation as a nurse trainer to nurses who:
    - 9.1.1. Have a license as a registered nurse in the State of New Hampshire that is current and unencumbered;
    - 9.1.2. Have 2 years of licensed nursing experience, at least one of which has been as a registered nurse, within the past 5 years; and
    - 9.1.3. Have completed a 6 hour orientation program conducted by the division of behavioral health.
  - 9.2. The director shall, upon request, grant 45 day conditional designation as a nurse trainer to nurses who fulfill the requirements of 9.1.1 and 9.1.2, above but have not yet completed the orientation required by 9.1.3, above.
  - 9.3. A nurse granted conditional designation shall not authorize or re-authorize providers to administer medications but may supervise currently authorized providers.
- 10. Medication Quality Review.**
- 10.1. The medical director shall review information submitted pursuant to 10.4, below.
  - 10.2. A nurse trainer from the "Community mental health provider" shall annually submit a report to the program's director of quality assurance that includes the following:
    - 10.2.1. The program name;
    - 10.2.2. The dates during which information was collected and the number of individuals served;
    - 10.2.3. The name, license number, and license expiration date of the nurse trainer;
    - 10.2.4. The date on which the nurse trainer received his or her training and authorization as a trainer;
    - 10.2.5. The number of hours of supervision provided by the nurse trainer per month;
    - 10.2.6. The number of providers trained and number of authorized providers retrained within the particular reporting period;
    - 10.2.7. The total number of providers authorized to administer medication within CMHC programs as of the date of the report;



Exhibit A -1

Administration of Medications in the Transitional Housing Program

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- 10.2.8. The total number of medication occurrences listed by specific medication(s) involved, type, frequency, and the corrective action taken;
  - 10.2.9. The number of department-issued "medication Administration" related certification deficiencies documented for the setting pursuant to He-M 1002.13;
  - 10.2.10. Any medication related waiver for the setting, if any;
  - 10.2.11. A narrative summary of the factors which affected the administration of medication; and
  - 10.2.12. The signature of the nurse trainer completing the form and the date on which the report is submitted.
- 10.3. The quality assurance director the "Community mental health provider" shall report annually on the agency's performance in medication administration to the division. The report shall summarize the content of the nurse trainer's report.
  - 10.4. The medical director shall review the reports submitted pursuant to (d) above and recommend to the director that corrective action be taken by those community residences that, as demonstrated by the reports, have failed to comply with the provisions of this "Medication Administration" Exhibit A-1.
  - 10.5. The recommendations shall identify areas of non-compliance and suggest corrective action to be taken.
  - 10.6. The director shall review all recommendations for corrective action made pursuant to 10.4. above. For the "Community mental health provider" for which corrective action has been suggested, the director shall require such corrective action to be taken. Corrective action shall be designed to result in an agency's compliance with the "Medication Administration" Exhibit A-1.
  - 10.7. The "Community mental health provider" that is in receipt of a requirement for corrective action shall, within 30 days of such receipt, forward a corrective action plan to the medical director and begin implementation of such plan.

**11. Revocation.**

- 11.1. Under the following circumstances, the director shall revoke the designations of those nurse trainers and authorizations to administer medications of those providers in "Community mental health provider" where corrective action has been required:



Exhibit A -1

Administration of Medications in the Transitional Housing Program

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- 11.1.1. A "Community mental health provider" fails to submit a corrective action plan
- 11.1.2. A "Community mental health provider" submits a corrective action plan which fails to satisfy the criteria specified by the medical director or his or her designee or
- 11.1.3. The "Community mental health provider" fails to implement a corrective action plan.
- 11.2. Revocation shall only occur following the provision of 30 days' written notice. Such written notice shall state the reasons for the revocation and inform the "Community mental health provider" that it may appeal the decision. If an appeal of the decision is filed, the revocation shall be postponed pending final action by the director.
- 11.3. The division shall withdraw a notice of revocation if, within the notice period, the "Community mental health provider" complies with or, in the judgment of the director or designee, has made progress toward complying with the "Medication Administration" Exhibit A-1.

**12. Appeals**

- 12.1. A request for appeal shall be submitted in writing to the director within 10 days following the date of the notification of revocation of authorization of a provider to administer medication or designation of a nurse trainer.
- 12.2. The director shall immediately forward the request to the administrative appeals unit so that an appeal proceeding can be scheduled.
- 12.3. Appeals shall be conducted in accordance with He-C 200.

**13. He-M 1202.13 Waivers.**

- 13.1. A provider or "Community mental health provider" may request a waiver of specific procedures outlined in this Appendix, in writing, from the department.
- 13.2. A request for waiver shall include:
  - 13.2.1. A specific reference to the section of the Appendix for which a waiver is being sought;
  - 13.2.2. A full explanation of why a waiver is necessary;
  - 13.2.3. A full explanation of alternative provisions or procedures proposed by the "Community mental health provider" or individual;



Exhibit A -1

Administration of Medications in the Transitional Housing Program

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- 13.2.4. If the setting is certified, the date of certification;
- 13.2.5. Signature of the individual(s) or legal guardian(s) indicating agreement with the request; and
- 13.2.6. Signature of the "Community mental health provider" executive director or designee recommending approval of the waiver.
- 13.3. No provision or procedure prescribed by statute shall be waived.
- 13.4. The director shall grant the waiver if he or she determines that the alternative proposed meets the objective or intent of the rule and does not negatively impact the health or safety of the individual(s).
- 13.5. Upon receipt of approval of a waiver request, the "Community mental health provider", the provider or individual's subsequent compliance with the alternative provisions or procedures approved in the waiver shall be considered compliance with the rule for which waiver was sought.
- 13.6. Waivers shall be granted in writing for a specific duration not to exceed one year.
- 13.7. A provider, a "Community mental health provider" or individual may request a renewal of a waiver from the department. Such request shall be made at least 90 days prior to the expiration of a current waiver and shall not exceed one year.

Contractor Initials: JK

Date: 10/31/17



### Method and Conditions Precedent to Payment

1. This contract is directly funded with General Funds anticipated to be available based upon continued appropriation. This contract also authorizes the Contractor to seek reimbursement from Federal funding sources as specified herein, conditioned upon continued support of the program by the state and federal governments.
2. Access to supporting federal funding is dependent upon the Contractor meeting the requirements in accordance with the U.S. Department of Health and Human Services, Centers for Medicare and Medicaid Services, Medical Assistance Program, Catalog of Federal Domestic Assistance (CFDA #) 93.778, Federal Award Identification Number (FAIN) NH20144.
3. The State shall pay an advanced payment in the total amount of \$80,300, in accordance with Exhibit B-1 Advance Request, Capital Budget upon Governor and Executive Council approval and receipt of an advance request invoice submitted by the Contractor on Contractor letterhead that details all purchases to be completed with the advancement of funds.
4. The State shall pay the Contractor an amount not to exceed the Price Limitation on Form P-37, Block 1.8, for the services provided by the Contractor pursuant to Exhibit A, Scope of Services.
5. The Contractor shall bill and seek reimbursement for services provided to individuals pursuant to this Agreement as follows:
  - 5.1. For Medicaid enrolled individuals:
    - 5.1.1. Through the DHHS Medicaid Fee for Service program in accordance with the Fee for Service (FFS) schedule specified in, Exhibit B-4.
    - 5.1.2. For other medical services not specified in Exhibit B-4, that the Contractor provides to individuals served under this Agreement, the Contractor shall be reimbursed pursuant to the Contractor's agreement with the applicable Managed Care Organization for such services.
  - 5.2. For individuals with other health insurance or other coverage for the services they receive, the Contractor will directly bill the other insurance or payors.
  - 5.3. For individuals without health insurance or other coverage for the services they receive, and for operational costs contained in Exhibits B-2 and B-3 for which the Contractor cannot otherwise seek reimbursement from an insurance or third-party payer, the Contractor will directly bill DHHS to access contract funds provided through this Agreement.
6. The Contractor shall, on a monthly basis:
  - 6.1. Document the expenses incurred for the fulfillment of services referenced in Paragraph 4, above.
  - 6.2. Document the revenue received in response to the billing referenced in Paragraph 5.1 and 5.2, above, on a monthly basis.

PH  
6/3/17



Exhibit B

- 6.3. Submit documentation identified in Subparagraphs 6.1 and 6.2 on the Department-approved invoice template.
- 6.4. Identify the amount of reimbursement to be billed under this contract for the applicable month.
7. Services not covered by Medicaid or by other insurance that are eligible for payment of contract funds shall be paid to the Contractor within forty-five (45) days of DHHS invoice receipt.
  - 7.1. The Contractor shall itemize all expenses consistent with the budget line item number in accordance with the Exhibits B-1 through B-3 for the applicable period.
  - 7.2. The Contractor shall not seek payment of contract funds for services the Contractor bills to Medicaid or other insurance payors.
8. All invoices submitted by the Contractor are subject to Department approval prior to payment processing for services identified Exhibit A, Scope of Services.
9. The Department reserves the right to withhold and/or reduce payments if the Contractor is not in compliance with rules, regulations, and laws cited in Exhibit A, Scope of Services.
10. The Contractor shall submit invoices electronically to the attention of the Department designee, whose contact information shall be provided upon the contract effective date.
11. The Contractor may submit a final payment request to DHHS for reimbursement; in no event shall the final payment request be submitted later than sixty (60) days after the Contract ends. Failure to submit the invoice and accompanying documentation may result in nonpayment.
12. When the contract price limitation is reached, the program shall continue to operate at full capacity at no charge to the State of New Hampshire for the duration of the contract period.
13. Notwithstanding anything to the contrary herein, the Contractor agrees that funding under this Contract may be withheld, in whole or in part, in the event of noncompliance with any State or Federal law, rule or regulation applicable to the services provided, or if the said services, required reports, or other contractual obligations contained in this Agreement, have not been completed in accordance with the terms and conditions specified herein.
14. In the event the Department determines that the Contractor is unnecessarily delaying or denying acceptance of individuals referred by New Hampshire Hospital to the Transitional Housing program contracted herein, or unnecessarily delaying transition of such individuals into or out of said program, the Department will notify the Contractor in writing of its determination; the notification shall include the Department's requested remedy. The Contractor shall have up to thirty (30) days to comply with the Department's request or to otherwise reach a remedy that is mutually agreeable to the Department and the Contractor. The Contractor's failure

*[Handwritten Signature]*  
10/31/17



Exhibit B

to comply with said remedy may be deemed by the Department noncompliance with the obligations contained in this Agreement.

15. Notwithstanding paragraph 18 of the P-37, a contract amendment limited to the adjustment of amounts between budget line items and/or State Fiscal Years, and amendment of related budget exhibits, may be made by written agreement of both parties through the Budget Office without further approval from Governor and Executive Council, if needed and justified.
16. The Department reserves the right to recover any program funds not used, in whole or in part, for the purposes stated in this Agreement from the Contractor within one hundred and twenty (120) days of the end of the fiscal year.
17. Any expenditure that exceeds the approved services shall be solely the financial responsibility of the Contractor.

*pu*

10/3/17

**Exhibit B-1 Budget**

| Capital Budget Narrative to Budget Line Item Detail on Page 2 |                |  |                 |  |
|---|----------------|--|-----------------|--|
| <b>Capital Revenue Required</b>                               | <b>155,800</b> | <b>Amount requested - Please see amount being requested for advance to ensure capital activities starts immediately.</b>   | <b>\$80,300</b> |  |
| <b>Equipment</b>  | 30,000         | 10 computers @ \$1,000 each, \$2,000 network scanner/printer, 3,000 for phones, 10 laptops @ \$1,500 each mobile internet hubs, \$2,000 for software cost set-up and additional IT Infrastructure set up.                | 15,000          | Advance to place large order with supplier and begin infrastructure set-up and IT implementation   |
| <b>Supplies</b>   |                |  |                 |  |
| <b>Furniture (client)</b>                                     | 21,000         | \$1,500 per client to set-up 14 rooms with required furnishing.  | 10,500          | Advance to purchase all of the furniture to set-up first residents.  |
| <b>Supplies/Office furniture</b>                              | 2,000          | Start-up supplies for program such as paper, toner, pens, chairs, desks and other operational supplies for   | 2,000           |  |
| <b>Client supplies</b>  | 2,800          | Start-up supplies for clients such as bed sheets, pillows, towels and other client supplies for rooms - 14 X \$200   | 2,800           | To purchase required items for clients starting in year 1.   |
| <b>Subcontractors/Agre</b>                                    |                |  |                 |  |
| <b>Property Rehab/Acquisition</b>                             | 100,000        | Funds to be utilized to rehab current/existant location and ensure all areas are in accordance to requirements for clients. Also, use funds as a down payment for property acquisition if needed to accommodate clients. | 50,000          | Advance to complete rehab work based on contract requirements  |
|   |                |  |                 | Advanced payments necessary to avoid line of credit use and associated interest. These are items in which payment is needed immediately upon purchase/ hiring. |
|   |                |  |                 |  |

Contractor Initials: *PK*

Date: 10/31/17

Exhibit B-1 Budget

New Hampshire Department of Health and Human Services  
COMPLETE ONE BUDGET FORM FOR EACH BUDGET PERIOD

Budget/Program Name: Harbor Homes Inc.

Budget Request Nr: Transitional Housing Capital

Budget Period: November 2017 through June 2018

| 1. Total Salaries/Wages               | -       | - | -       | - | - | -       | - | -       |
|---------------------------------------|---------|---|---------|---|---|---------|---|---------|
| 2. Employee Benefits                  | -       | - | -       | - | - | -       | - | -       |
| 3. Contract                           | -       | - | -       | - | - | -       | - | -       |
| 4. Equipment                          | 30,000  | - | 30,000  | - | - | 30,000  | - | 30,000  |
| Rent of                               | -       | - | -       | - | - | -       | - | -       |
| Repair and Maintenance                | -       | - | -       | - | - | -       | - | -       |
| Purchase/Construction                 | -       | - | -       | - | - | -       | - | -       |
| 5. Supplies                           | 21,000  | - | 21,000  | - | - | 21,000  | - | 21,000  |
| Educational                           | -       | - | -       | - | - | -       | - | -       |
| Lab                                   | -       | - | -       | - | - | -       | - | -       |
| Pharmacy                              | -       | - | -       | - | - | -       | - | -       |
| Medical                               | -       | - | -       | - | - | -       | - | -       |
| Office                                | 2,000   | - | 2,000   | - | - | 2,000   | - | 2,000   |
| 6. Travel                             | -       | - | -       | - | - | -       | - | -       |
| 7. Occupancy                          | -       | - | -       | - | - | -       | - | -       |
| 8. Current Expenses                   | -       | - | -       | - | - | -       | - | -       |
| Telephone                             | -       | - | -       | - | - | -       | - | -       |
| Printing                              | -       | - | -       | - | - | -       | - | -       |
| Subscriptions                         | -       | - | -       | - | - | -       | - | -       |
| Rent and Lease                        | -       | - | -       | - | - | -       | - | -       |
| Insurance                             | -       | - | -       | - | - | -       | - | -       |
| Board Expenses                        | -       | - | -       | - | - | -       | - | -       |
| 9. Interest                           | -       | - | -       | - | - | -       | - | -       |
| 10. Materials/Communications          | -       | - | -       | - | - | -       | - | -       |
| 11. Rent/Utilities and Utilities      | -       | - | -       | - | - | -       | - | -       |
| 12. Subcontract/Agreements            | 100,000 | - | 100,000 | - | - | 100,000 | - | 100,000 |
| 13. Other (Specify details mandatory) | -       | - | -       | - | - | -       | - | -       |
| Grand Totals                          | 2,000   | - | 2,000   | - | - | 2,000   | - | 2,000   |
| TOTAL                                 | 154,000 | - | 154,000 | - | - | 154,000 | - | 154,000 |

Indirect As A Percent of Direct

0.0%

Contract Index: *KL*  
Date: 10/31/17

### Exhibit B-2 Budget

| November 2017 through June 2018: Narrative that Details Budget Line Items on Page 2 |                |   |
|---|----------------|---|
| Residential Revenue Required  | \$34,200       | Amount requested for 14 beds  |
| Client revenue  | 21,504         | 30% of income based on \$400 X 14 Clients @ collection rate of 80% X 6 mos  |
|   |                |   |
| First Shift   |                | Salary coverage was based on a 16 pay period per each FTE due to first year starting on 11/1/2017. Budget is reflected for 8 months: 16 pay periods X 60 hrs = 1280 hrs for 1 FTE |
| Program Manager   | 44,800         | 1.0 FTE @ \$35/HR   |
| Assistant Program Manager/Case Manager  | 32,000         | 1.00 FTE @ \$25/HR to provide program manager assistance  |
| Register Nurse  | 44,800         | 1.0 FTE @ \$35/hr   |
| LNA   | 23,040         | 1.0 FTE @ \$18/hr   |
| Support Staff   | 25,600         | 1.0 FTE @ \$20/HR   |
| Second Shift  |                |   |
| Register Nurse  | 44,800         | 1.0 FTE @ \$35/HR   |
| Support Staff   | 25,600         | 1.0 FTE @ \$20/HR to cover 2nd shift - 24X7 coverage  |
| Third Shift   |                |   |
| LNA   | 32,000         | 1.0 FTE @ \$25/HR to cover 3rd shift  |
| Support Staff   | 25,600         | 1.0 FTE @ \$20/HR to cover 3rd shift - 24X7 coverage  |
| Weekend Coverage  |                |   |
| RN - Weekend Coverage   | 47,360         | 1.0 FTE @ 37/HR for weekend coverage  |
| Support Staff   | 26,880         | 1.0 FTE @ \$21/HR to cover weekend shifts   |
| LNA   | 28,160         | 1.0FTE @ \$22/HR to cover weekend shifts  |
| Other Coverage  |                |   |
| Medical Director/Psychiatrist   | 24,960         | 0.10 FTE @ \$120/hr   |
| On-Call Clinician/RN  | 17,160         | Based on a \$25 for weekday & \$75 for weekend  |
| RN Per diem coverage  | 23,712         | 0.30 FTE @ \$38/hr for per diem coverage  |
| Per diem coverage   | 10,400         | 0.20 FTE @ \$25/hr for per diem coverage  |
| <b>TOTAL PERSONNEL COSTS</b>  | <b>476,320</b> |   |
| Payroll Taxes   | 38,150         | 8% of total salary and wages - Agency's running rate.   |
| Benefits  | 95,374         | 25% of total salary and wages - Agency's running rate.  |
| <b>TOTAL Fringe Benefits</b>  | <b>133,524</b> |   |
| <b>TOTAL PERSONNEL COSTS</b>  | <b>609,844</b> |   |

Contractor Initials: PK

Date: 10/31/17

### Exhibit B-2 Budget

| Operations  | Average cost per location |  |
|---|---------------------------|--|
| Contract Fees   | 13,814                    | Specialized treatment such us sex offender, risk assessment evals, court mandate treatment etc...  |
| Contract Fees - Nurse Trainer/additional nursing coverage | 39,825                    | To contract with Healthyat Home for Nurse trainer cost to provide the required and needed training for staff and additional coverage for nursing care for clients. |
| Electricity   | 3,600                     | \$450/mth based on historical data of building   |
| Water   | 1,600                     | \$200/mth based on historical data of building   |
| Sewer/Waste Water Exp                                     | 1,336                     | \$167/mth based on historical data of building   |
| Heating Oil   | 2,600                     | \$325/mth based on historical data of building   |
| Maintenance: Repairs                                      | 2,400                     | \$300/mth based on historical data   |
| Vehicle Lease   | 4,000                     | \$500/mth for client transportation  |
| Snow Removal  | 5,200                     | \$5,200 a year for snow removal  |
| Supplies: Building/Household                              | 2,400                     | \$300/mth janitorial supplies and building/cleaning supplies   |
| Food  | 22,400                    | 14 clients @ \$50/wk X 32 wks  |
| Training  | 5,000                     | \$5,000 a year of training expenses for staff  |
| Telephone   | 5,760                     | \$80/mth telephone, internet monthly cost - current rates for 12 FTE's   |
| Supplies: Office  | 3,600                     | \$450/mth for office supplies, including tonner - operational expenses   |
| Supplies: Clients   | 2,800                     | \$350/mth for clients supplies   |
| Postage   | 250                       | Operational cost   |
| Staff Transportation                                      | 1,200                     | Based on 2,400 miles a year @ \$0.50 for local staff travel  |
| Software/Electronic Health Record                         | 3,500                     | Software cost, such as HR, Case manager and GE centricity  |
| Insurance: Property/Liability                             | 1,600                     | \$200/mth based on current insurance policy  |
| Insurance-Workers Compensation                            | 20,828                    | Based on agency's policy rate  |
| <b>TOTAL Operations</b>                                   | <b>143,614</b>            |  |
| <b>TOTAL EXPENSES</b>                                     | <b>754,010</b>            |  |
| Indirect Cost   | 161,894                   | Per approved indirect rate agreement - 26.49% of direct staff  |
| <b>TOTAL OPERATIONS</b>                                   | <b>160,508</b>            |  |

Contractor Initials: YU  
Date: 10/31/17

Exhibit B-2 Budget

New Hampshire Department of Health and Human Services  
COMPLETE ONE BUDGET FORM FOR EACH BUDGET PERIOD

Budget/Program Name: Harbor Homes Inc.

Budget Request for: Transitional Housing

Budget Period: November 2017 through June 2018

|                                       | 2017           | 2018           | 2019           | 2020          | 2021     | 2022     | 2023           | 2024           | 2025           |
|---------------------------------------|----------------|----------------|----------------|---------------|----------|----------|----------------|----------------|----------------|
| 1. Total Salary/Wages                 | 478,872        | 478,872        | 803,185        | -             | -        | -        | 478,872        | 478,872        | 803,185        |
| 2. Employee Benefits                  | 133,524        | 133,524        | 199,879        | -             | -        | -        | 133,524        | 133,524        | 199,879        |
| 3. Contractual                        | -              | -              | -              | -             | -        | -        | -              | -              | -              |
| 4. Equipment                          | -              | -              | -              | -             | -        | -        | -              | -              | -              |
| Rent                                  | 4,000          | 4,000          | 4,000          | -             | -        | -        | 4,000          | 4,000          | 4,000          |
| Repair and Maintenance                | 2,400          | 2,400          | 2,400          | -             | -        | -        | 2,400          | 2,400          | 2,400          |
| Purchase/Replacement                  | -              | -              | -              | -             | -        | -        | -              | -              | -              |
| 5. Supplies                           | -              | -              | -              | -             | -        | -        | -              | -              | -              |
| Educational                           | -              | -              | -              | -             | -        | -        | -              | -              | -              |
| Lab                                   | -              | -              | -              | -             | -        | -        | -              | -              | -              |
| Pharmacy                              | -              | -              | -              | -             | -        | -        | -              | -              | -              |
| Medical                               | -              | -              | -              | -             | -        | -        | -              | -              | -              |
| Office                                | 3,600          | 3,600          | 3,600          | -             | -        | -        | 3,600          | 3,600          | 3,600          |
| 6. Travel                             | 1,200          | 1,200          | 1,200          | -             | -        | -        | 1,200          | 1,200          | 1,200          |
| 7. Occupancy                          | 14,328         | 14,328         | 14,328         | -             | -        | -        | 14,328         | 14,328         | 14,328         |
| 8. Current Expenses                   | -              | -              | -              | -             | -        | -        | -              | -              | -              |
| Telephone                             | 1,788          | 1,788          | 1,788          | -             | -        | -        | 1,788          | 1,788          | 1,788          |
| Printing                              | 750            | 750            | 750            | -             | -        | -        | 750            | 750            | 750            |
| Subscriptions                         | -              | -              | -              | -             | -        | -        | -              | -              | -              |
| Fuel and Light                        | -              | -              | -              | -             | -        | -        | -              | -              | -              |
| Insurance                             | 22,429         | 22,429         | 22,429         | -             | -        | -        | 22,429         | 22,429         | 22,429         |
| Board Expenses                        | -              | -              | -              | -             | -        | -        | -              | -              | -              |
| 9. Software                           | 3,500          | 3,500          | 3,500          | -             | -        | -        | 3,500          | 3,500          | 3,500          |
| 10. Machinery/Communications          | -              | -              | -              | -             | -        | -        | -              | -              | -              |
| 11. Staff Education and Training      | 1,000          | 1,000          | 1,000          | -             | -        | -        | 1,000          | 1,000          | 1,000          |
| 12. Subscriptions/Agreements          | 13,128         | 13,128         | 13,128         | -             | -        | -        | 13,128         | 13,128         | 13,128         |
| 13. Other Projects (state mandatory): | -              | -              | -              | -             | -        | -        | -              | -              | -              |
| Building/Rehabilit                    | 2,400          | 2,400          | 2,400          | -             | -        | -        | 2,400          | 2,400          | 2,400          |
| Client Food                           | 22,400         | 22,400         | 22,400         | 21,804        | -        | -        | 21,504         | 896            | 896            |
| Client Supplies                       | 2,800          | 2,800          | 2,800          | -             | -        | -        | 2,800          | 2,800          | 2,800          |
| <b>TOTAL</b>                          | <b>754,918</b> | <b>754,918</b> | <b>818,704</b> | <b>21,804</b> | <b>-</b> | <b>-</b> | <b>722,884</b> | <b>181,324</b> | <b>184,384</b> |

Indirect As A Percent of Direct

21.4%

Contractor Initial: *pk*  
Date: 10/31/17

Exhibit B-3 Budget

| July 2018 through June 2019 Budget Narrative for Budget Line Item Detail on Page 3 |                  |  |
|--|------------------|--|
| Residential Revenue Required   | 1,050,000        | Amount requested for 14 beds   |
| Client revenue   | 38,288           | 30% of income based on \$800 X 14 Clients @ collection rate of 90% X 12 mths |
| <b>First Shift</b>   |                  |  |
| Program Manager  | 72,800           | 1.0 FTE @ \$35/hr  |
| Register Nurse   | 72,800           | 1.0 FTE @ \$35/hr  |
| LNA  | 37,440           | 1.0 FTE @ \$18/hr  |
| <b>Second Shift</b>  |                  |  |
| Register Nurse   | 72,800           | 1.0 FTE @ \$35/hr  |
| Support Staff  | 41,000           | 1.0 FTE @ \$20/hr to cover 2nd shift - 24X7 coverage                         |
| <b>Third Shift</b>   |                  |  |
| LNA  | 52,000           | 1.0 FTE @ \$25/hr to cover 3rd shift   |
| Support Staff  | 41,000           | 1.0 FTE @ \$20/hr to cover 3rd shift - 24X7 coverage                         |
| <b>Weekend Coverage</b>  |                  |  |
| RN - Weekend Coverage  | 76,960           | 1.0 FTE @ \$37/hr for weekend coverage                                       |
| Support Staff  | 43,680           | 1.0 FTE @ \$21/hr to cover weekend shifts                                    |
| LNA  | 23,760           | 0.50 FTE @ \$22/hr to cover weekend shifts                                   |
| <b>Other Coverage</b>  |                  |  |
| Medical Director/Psychiatrist  | 12,480           | 0.05 FTE @ \$120/hr  |
| On-Call Clinician/RN   | 28,000           | Based on a \$25 for weekday & \$75 for weekend                               |
| RN Per diem coverage   | 23,712           | 0.30 FTE @ \$38/hr for per diem coverage                                     |
| Per diem coverage  | 10,200           | 0.20 FTE @ \$25/hr for per diem coverage                                     |
| <b>TOTAL SALARY</b>  | <b>1,011,712</b> |  |
| Payroll Taxes  | 48,833           | 5% of total salary and wages - Agency's running rate.                        |
| Benefits   | 122,068          | 25% of total salary and wages - Agency's running rate.                       |
| <b>TOTAL Fringe Benefits</b>   | <b>170,901</b>   |  |
| <b>TOTAL PERSONNEL COSTS</b>   | <b>1,182,613</b> |  |

Contractor Initials: *JK*  
Date: 10/31/17

Exhibit B-3 Budget

|                                   |                  | Average cost per location   |
|-----------------------------------|------------------|---|
| Operations                        |                  |   |
| Contract Fees                     | 5,338            | Specialized treatment such as sex offender, risk assessment evals, court mandated treatment etc...            |
| Contract Fees - Nurse Trainer     | 3,500            | To contract with Healthyst Home for Nurse trainer cost to provide the required and needed training for staff. |
| Electricity                       | 5,400            | \$450/mth based on historical data of building  |
| Water                             | 2,400            | \$200/mth based on historical data of building  |
| Sewer/Waste Water Exp             | 2,004            | \$167/mth based on historical data of building  |
| Heating Oil                       | 3,900            | \$325/mth based on historical data of building  |
| Maintenance: Repairs              | 3,800            | \$300/mth based on historical data  |
| Vehicle Lease                     | 6,000            | \$500/mth for client transportation   |
| Snow Removal                      | 5,200            | \$5,200 a year for snow removal   |
| Supplies: Building/Household      | 3,800            | \$300/mth janitorial supplies and building/cleaning supplies  |
| Food                              | 14,500           | 14 clients @ \$20/wk X 52 wks   |
| Telephone                         | 8,840            | \$60/mth telephone, internet monthly cost - current rates for 12 FTE's  |
| Supplies: Office                  | 1,200            | \$100/mth for office supplies, including tonner - operational expenses  |
| Supplies: Clients                 | 800              | \$50/mth for clients supplies   |
| Postage                           | 250              | Operational cost  |
| Staff Transportation              | 1,200            | Based on 2,400 miles a year @ \$0.50 for local staff travel   |
| Software/Electronic Health Record | 1,500            | Software cost, such as HPL, Case manager and GE connectivity  |
| Insurance: Property/Liability     | 2,400            | \$200/mth based on current insurance policy   |
| Insurance-Workers Compensation    | 26,062           | Based on agency's policy rate   |
| <b>TOTAL Operations</b>           | <b>87,854</b>    |   |
| <b>TOTAL EXPENSES</b>             | <b>879,307</b>   |   |
| Indirect Cost                     | 206,880          | Per approved indirect rate agreement - 26.49% of direct staff   |
| <b>TOTAL EXPENSES</b>             | <b>1,086,187</b> |   |

Contractor Initials: PK

Date: 10/31/12

Exhibit B-3 Budget

| New Hampshire Department of Health and Human Services<br>COMPLETE ONE BUDGET FORM FOR EACH BUDGET PERIOD |                |                |                  |               |          |               |                |                |                  |
|--|----------------|----------------|------------------|---------------|----------|---------------|----------------|----------------|------------------|
| Bidder/Program Name: Harbor Homes Inc.   |                |                |                  |               |          |               |                |                |                  |
| Budget Request for: Transitional Housing   |                |                |                  |               |          |               |                |                |                  |
| Budget Period: July 2014 through June 2015   |                |                |                  |               |          |               |                |                |                  |
| 1. Total Salary/Wages  | 616,432        | 161,702        | 772,133          | -             | -        | -             | 616,432        | 161,702        | 772,133          |
| 2. Employee Benefits   | 179,621        | 45,277         | 218,198          | -             | -        | -             | 179,621        | 45,277         | 218,198          |
| 3. Contract org  | -              | -              | -                | -             | -        | -             | -              | -              | -                |
| 4. Equipment   | -              | -              | -                | -             | -        | -             | -              | -              | -                |
| Rental   | 0,000          | -              | 0,000            | -             | -        | -             | 0,000          | -              | 0,000            |
| Repair and Maintenance   | 3,000          | -              | 3,000            | -             | -        | -             | 3,000          | -              | 3,000            |
| Purchase/Construction  | -              | -              | -                | -             | -        | -             | -              | -              | -                |
| 5. Supplies  | -              | -              | -                | -             | -        | -             | -              | -              | -                |
| Consumables  | -              | -              | -                | -             | -        | -             | -              | -              | -                |
| Lab  | -              | -              | -                | -             | -        | -             | -              | -              | -                |
| Pharmacy   | -              | -              | -                | -             | -        | -             | -              | -              | -                |
| Medical  | -              | -              | -                | -             | -        | -             | -              | -              | -                |
| Office   | 1,200          | -              | 1,200            | -             | -        | -             | 1,200          | -              | 1,200            |
| 6. Travel  | 1,200          | -              | 1,200            | -             | -        | -             | 1,200          | -              | 1,200            |
| 7. Occupancy   | 18,004         | -              | 18,004           | -             | -        | -             | 18,004         | -              | 18,004           |
| 8. Current Expenses  | -              | -              | -                | -             | -        | -             | -              | -              | -                |
| Telephone  | 0,840          | -              | 0,840            | -             | -        | -             | 0,840          | -              | 0,840            |
| Postage  | 250            | -              | 250              | -             | -        | -             | 250            | -              | 250              |
| Subscriptions  | -              | -              | -                | -             | -        | -             | -              | -              | -                |
| Auto and Travel  | -              | -              | -                | -             | -        | -             | -              | -              | -                |
| Inventory  | 79,082         | -              | 79,082           | 21,728        | -        | 21,728        | 7,334          | -              | 7,334            |
| Fixed Assets   | -              | -              | -                | -             | -        | -             | -              | -              | -                |
| 9. Indirect  | 1,800          | -              | 1,800            | -             | -        | -             | 1,800          | -              | 1,800            |
| 10. Marketing/Communications   | -              | -              | -                | -             | -        | -             | -              | -              | -                |
| 11. Staff Education and Training   | -              | -              | -                | -             | -        | -             | -              | -              | -                |
| 12. Subcontract/Agreements   | 0,836          | -              | 0,836            | -             | -        | -             | 0,836          | -              | 0,836            |
| 13. Other (specify details mandatory):   | -              | -              | -                | -             | -        | -             | -              | -              | -                |
| Building/Leasehold   | 3,000          | -              | 3,000            | -             | -        | -             | 3,000          | -              | 3,000            |
| Client Food  | 14,500         | -              | 14,500           | 14,500        | -        | 14,500        | -              | -              | -                |
| Client supplies  | 600            | -              | 600              | -             | -        | -             | 600            | -              | 600              |
| <b>TOTAL</b>   | <b>878,307</b> | <b>206,979</b> | <b>1,085,287</b> | <b>36,228</b> | <b>-</b> | <b>36,228</b> | <b>843,019</b> | <b>206,979</b> | <b>1,049,998</b> |
| Indirect As A Percent of Direct  |                | 23.3%          |                  |               |          |               |                |                |                  |

Contractor Initial: *PK*  
Date: 10/3/14

New Hampshire Department of Health and Human Services  
 Transitional Housing Beds and Services



Exhibit B-4 THS Authorized Medicaid Services

THS Authorized Medicaid Services

|    | Minimum Staff Qualifications               | Service   | National Code | Rate | Freq/Duration           |
|----|--|---|---------------|------|-------------------------|
| 1  | Bachelors Level Staff                      |   | H2020         |      | 1 event per day         |
| 2  | Team, Psychiatrist, RN, Masters, Bachelors | Restorative Partial Hospitalization, Continuous Treatment Team Full Day   | H2018         |      | 1 event per day         |
| 3  | Team, Psychiatrist, RN, Masters, Bachelors | Restorative Partial Hospitalization, Continuous Treatment Team, Half Day  | H2001         |      | 1 event per day         |
| 4  | Team, Psychiatrist, RN, Masters, Bachelors | Restorative Partial Hospitalization, Full Day   | H2018         |      | 1 event per day         |
| 5  | Team, Psychiatrist, RN, Masters, Bachelors | Restorative Partial Hospitalization, Half Day   | H2001         |      | 1 event per day         |
| 6  | Bachelors Level Staff                      |   | T1018         |      | 1 per calendar month    |
| 7  | Bachelors Level Staff                      | Supported Employment  | H2023         |      | 15 minute unit          |
| 8  | Bachelors Level Staff                      |   | H2027         |      | 15 minute unit          |
| 9  | Bachelors Level Staff                      |   | H2027-HQ      |      | 15 minute unit          |
| 10 | Masters Level Clinician                    | Individual Psychotherapy 20-30 minutes  | 90804         |      | 1 event per day         |
| 11 | Psychiatrist                               | Individual Psychotherapy w/ med mgmt 20-30 minutes face to face   | 90805         |      | 1 event per day         |
| 12 | Masters Level Clinician                    | Individual Psychotherapy 45-50 minutes  | 90806         |      | 1 event per day         |
| 13 | Psychiatrist                               | Individual Psychotherapy w/ med mgmt 45-50 minutes face to face   | 90807         |      | 1 event per day         |
| 14 | Masters Level Clinician                    | Individual Psychotherapy 75-80 minutes  | 90808         |      | 1 event per day         |
| 15 | Psychiatrist                               | Individual Psychotherapy w/ med mgmt 75-80 minutes face to face   | 90809         |      | 1 event per day         |
| 16 | Masters Level Clinician                    | Group Psychotherapy   | 90853         |      | 15 minute unit          |
| 17 | Psychiatrist                               |   | 99213         |      | 1 - 99xxx event per day |
| 18 | Psychiatrist                               | New Patient Office or Other outpatient visit - E&M 10 minutes face to face  | 99201         |      | 1 event per day         |
| 19 | Psychiatrist                               | New Patient Office or Other outpatient visit - E&M 20 minutes face to face  | 99202         |      | 1 event per day         |
| 20 | Psychiatrist                               | New Patient Office or Other outpatient visit - E&M 30 minutes face to face  | 99203         |      | 1 event per day         |
| 21 | Psychiatrist                               | New Patient Office or Other outpatient visit - E&M 45 minutes face to face  | 99204         |      | 1 event per day         |
| 22 | Psychiatrist                               | New Patient Office or Other outpatient visit - E&M 60 minutes face to face  | 99205         |      | 1 event per day         |
| 23 | Psychiatrist                               | Evaluation and management of patient that may not require the presence of a physician, typically 5 minutes face to face | 99211         |      | 1 event per day         |
| 24 | Psychiatrist                               | Evaluation and management of patient, typically 10 minutes face to face   | 99212         |      | 1 event per day         |
| 25 | Psychiatrist                               | Evaluation and management of patient, typically 15 minutes face to face   | 99213         |      | 1 event per day         |
| 26 | Psychiatrist                               | Evaluation and management of patient, typically 25 minutes face to face   | 99214         |      | 1 event per day         |
| 27 | Psychiatrist                               | Evaluation and management of patient, typically 40 minutes face to face   | 99215         |      | 1 event per day         |

Rate is paid in accordance with the CMHC Published Fee Schedule

Contractor Initials: *PC*

Date: *10/31/17*



SPECIAL PROVISIONS

**Contractors Obligations:** The Contractor covenants and agrees that all funds received by the Contractor under the Contract shall be used only as payment to the Contractor for services provided to eligible individuals and, in the furtherance of the aforesaid covenants, the Contractor hereby covenants and agrees as follows:

1. **Compliance with Federal and State Laws:** If the Contractor is permitted to determine the eligibility of individuals such eligibility determination shall be made in accordance with applicable federal and state laws, regulations, orders, guidelines, policies and procedures.
2. **Time and Manner of Determination:** Eligibility determinations shall be made on forms provided by the Department for that purpose and shall be made and remade at such times as are prescribed by the Department.
3. **Documentation:** In addition to the determination forms required by the Department, the Contractor shall maintain a data file on each recipient of services hereunder, which file shall include all information necessary to support an eligibility determination and such other information as the Department requests. The Contractor shall furnish the Department with all forms and documentation regarding eligibility determinations that the Department may request or require.
4. **Fair Hearings:** The Contractor understands that all applicants for services hereunder, as well as individuals declared ineligible have a right to a fair hearing regarding that determination. The Contractor hereby covenants and agrees that all applicants for services shall be permitted to fill out an application form and that each applicant or re-applicant shall be informed of his/her right to a fair hearing in accordance with Department regulations.
5. **Gratuities or Kickbacks:** The Contractor agrees that it is a breach of this Contract to accept or make a payment, gratuity or offer of employment on behalf of the Contractor, any Sub-Contractor or the State in order to influence the performance of the Scope of Work detailed in Exhibit A of this Contract. The State may terminate this Contract and any sub-contract or sub-agreement if it is determined that payments, gratuities or offers of employment of any kind were offered or received by any officials, officers, employees or agents of the Contractor or Sub-Contractor.
6. **Retroactive Payments:** Notwithstanding anything to the contrary contained in the Contract or in any other document, contract or understanding, it is expressly understood and agreed by the parties hereto, that no payments will be made hereunder to reimburse the Contractor for costs incurred for any purpose or for any services provided to any individual prior to the Effective Date of the Contract and no payments shall be made for expenses incurred by the Contractor for any services provided prior to the date on which the individual applies for services or (except as otherwise provided by the federal regulations) prior to a determination that the individual is eligible for such services.
7. **Conditions of Purchase:** Notwithstanding anything to the contrary contained in the Contract, nothing herein contained shall be deemed to obligate or require the Department to purchase services hereunder at a rate which reimburses the Contractor in excess of the Contractors costs, at a rate which exceeds the amounts reasonable and necessary to assure the quality of such service, or at a rate which exceeds the rate charged by the Contractor to ineligible individuals or other third party funders for such service. If at any time during the term of this Contract or after receipt of the Final Expenditure Report hereunder, the Department shall determine that the Contractor has used payments hereunder to reimburse items of expense other than such costs, or has received payment in excess of such costs or in excess of such rates charged by the Contractor to ineligible individuals or other third party funders, the Department may elect to:
  - 7.1. Renegotiate the rates for payment hereunder, in which event new rates shall be established;
  - 7.2. Deduct from any future payment to the Contractor the amount of any prior reimbursement in excess of costs;

PK  
Date 10/31/17



- 7.3. Demand repayment of the excess payment by the Contractor in which event failure to make such repayment shall constitute an Event of Default hereunder. When the Contractor is permitted to determine the eligibility of Individuals for services, the Contractor agrees to reimburse the Department for all funds paid by the Department to the Contractor for services provided to any individual who is found by the Department to be ineligible for such services at any time during the period of retention of records established herein.

**RECORDS: MAINTENANCE, RETENTION, AUDIT, DISCLOSURE AND CONFIDENTIALITY:**

8. **Maintenance of Records:** In addition to the eligibility records specified above, the Contractor covenants and agrees to maintain the following records during the Contract Period:
- 8.1. **Fiscal Records:** books, records, documents and other data evidencing and reflecting all costs and other expenses incurred by the Contractor in the performance of the Contract, and all income received or collected by the Contractor during the Contract Period, said records to be maintained in accordance with accounting procedures and practices which sufficiently and properly reflect all such costs and expenses, and which are acceptable to the Department, and to include, without limitation, all ledgers, books, records, and original evidence of costs such as purchase requisitions and orders, vouchers, requisitions for materials, inventories, valuations of in-kind contributions, labor time cards, payrolls, and other records requested or required by the Department.
  - 8.2. **Statistical Records:** Statistical, enrollment, attendance or visit records for each recipient of services during the Contract Period, which records shall include all records of application and eligibility (including all forms required to determine eligibility for each such recipient), records regarding the provision of services and all invoices submitted to the Department to obtain payment for such services.
  - 8.3. **Medical Records:** Where appropriate and as prescribed by the Department regulations, the Contractor shall retain medical records on each patient/recipient of services.
9. **Audit:** Contractor shall submit an annual audit to the Department within 60 days after the close of the agency fiscal year. It is recommended that the report be prepared in accordance with the provision of Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non Profit Organizations" and the provisions of Standards for Audit of Governmental Organizations, Programs, Activities and Functions, issued by the US General Accounting Office (GAO standards) as they pertain to financial compliance audits.
- 9.1. **Audit and Review:** During the term of this Contract and the period for retention hereunder, the Department, the United States Department of Health and Human Services, and any of their designated representatives shall have access to all reports and records maintained pursuant to the Contract for purposes of audit, examination, excerpts and transcripts.
  - 9.2. **Audit Liabilities:** In addition to and not in any way in limitation of obligations of the Contract, it is understood and agreed by the Contractor that the Contractor shall be held liable for any state or federal audit exceptions and shall return to the Department, all payments made under the Contract to which exception has been taken or which have been disallowed because of such an exception.
10. **Confidentiality of Records:** All information, reports, and records maintained hereunder or collected in connection with the performance of the services and the Contract shall be confidential and shall not be disclosed by the Contractor, provided however, that pursuant to state laws and the regulations of the Department regarding the use and disclosure of such information, disclosure may be made to public officials requiring such information in connection with their official duties and for purposes directly connected to the administration of the services and the Contract; and provided further, that the use or disclosure by any party of any information concerning a recipient for any purpose not directly connected with the administration of the Department or the Contractor's responsibilities with respect to purchased services hereunder is prohibited except on written consent of the recipient, his attorney or guardian.

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10/31/17



Notwithstanding anything to the contrary contained herein the covenants and conditions contained in the Paragraph shall survive the termination of the Contract for any reason whatsoever.

11. **Reports: Fiscal and Statistical:** The Contractor agrees to submit the following reports at the following times if requested by the Department.
  - 11.1. **Interim Financial Reports:** Written interim financial reports containing a detailed description of all costs and non-allowable expenses incurred by the Contractor to the date of the report and containing such other information as shall be deemed satisfactory by the Department to justify the rate of payment hereunder. Such Financial Reports shall be submitted on the form designated by the Department or deemed satisfactory by the Department.
  - 11.2. **Final Report:** A final report shall be submitted within thirty (30) days after the end of the term of this Contract. The Final Report shall be in a form satisfactory to the Department and shall contain a summary statement of progress toward goals and objectives stated in the Proposal and other information required by the Department.
12. **Completion of Services: Disallowance of Costs:** Upon the purchase by the Department of the maximum number of units provided for in the Contract and upon payment of the price limitation hereunder, the Contract and all the obligations of the parties hereunder (except such obligations as, by the terms of the Contract are to be performed after the end of the term of this Contract and/or survive the termination of the Contract) shall terminate, provided however, that if, upon review of the Final Expenditure Report the Department shall disallow any expenses claimed by the Contractor as costs hereunder the Department shall retain the right, at its discretion, to deduct the amount of such expenses as are disallowed or to recover such sums from the Contractor.
13. **Credits:** All documents, notices, press releases, research reports and other materials prepared during or resulting from the performance of the services of the Contract shall include the following statement:
  - 13.1. The preparation of this (report, document etc.) was financed under a Contract with the State of New Hampshire, Department of Health and Human Services, with funds provided in part by the State of New Hampshire and/or such other funding sources as were available or required, e.g., the United States Department of Health and Human Services.
14. **Prior Approval and Copyright Ownership:** All materials (written, video, audio) produced or purchased under the contract shall have prior approval from DHHS before printing, production, distribution or use. The DHHS will retain copyright ownership for any and all original materials produced, including, but not limited to, brochures, resource directories, protocols or guidelines, posters, or reports. Contractor shall not reproduce any materials produced under the contract without prior written approval from DHHS.
15. **Operation of Facilities: Compliance with Laws and Regulations:** In the operation of any facilities for providing services, the Contractor shall comply with all laws, orders and regulations of federal, state, county and municipal authorities and with any direction of any Public Officer or officers pursuant to laws which shall impose an order or duty upon the contractor with respect to the operation of the facility or the provision of the services at such facility. If any governmental license or permit shall be required for the operation of the said facility or the performance of the said services, the Contractor will procure said license or permit, and will at all times comply with the terms and conditions of each such license or permit. In connection with the foregoing requirements, the Contractor hereby covenants and agrees that, during the term of this Contract the facilities shall comply with all rules, orders, regulations, and requirements of the State Office of the Fire Marshal and the local fire protection agency, and shall be in conformance with local building and zoning codes, by-laws and regulations.
16. **Equal Employment Opportunity Plan (EEO):** The Contractor will provide an Equal Employment Opportunity Plan (EEO) to the Office for Civil Rights, Office of Justice Programs (OCR), if it has received a single award of \$500,000 or more. If the recipient receives \$25,000 or more and has 50 or



more employees, it will maintain a current EEOP on file and submit an EEOP Certification Form to the OCR, certifying that its EEOP is on file. For recipients receiving less than \$25,000, or public grantees with fewer than 50 employees, regardless of the amount of the award, the recipient will provide an EEOP Certification Form to the OCR certifying it is not required to submit or maintain an EEOP. Non-profit organizations, Indian Tribes, and medical and educational institutions are exempt from the EEOP requirement, but are required to submit a certification form to the OCR to claim the exemption. EEOP Certification Forms are available at: <http://www.ojp.usdoj/about/ocr/pdfs/cert.pdf>.

17. **Limited English Proficiency (LEP):** As clarified by Executive Order 13166, Improving Access to Services for persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination on the basis of limited English proficiency (LEP). To ensure compliance with the Omnibus Crime Control and Safe Streets Act of 1968 and Title VI of the Civil Rights Act of 1964, Contractors must take reasonable steps to ensure that LEP persons have meaningful access to its programs.
18. **Pilot Program for Enhancement of Contractor Employee Whistleblower Protections:** The following shall apply to all contracts that exceed the Simplified Acquisition Threshold as defined in 48 CFR 2.101 (currently, \$150,000)

CONTRACTOR EMPLOYEE WHISTLEBLOWER RIGHTS AND REQUIREMENT TO INFORM EMPLOYEES OF WHISTLEBLOWER RIGHTS (SEP 2013)

(a) This contract and employees working on this contract will be subject to the whistleblower rights and remedies in the pilot program on Contractor employee whistleblower protections established at 41 U.S.C. 4712 by section 828 of the National Defense Authorization Act for Fiscal Year 2013 (Pub. L. 112-239) and FAR 3.908.

(b) The Contractor shall inform its employees in writing, in the predominant language of the workforce, of employee whistleblower rights and protections under 41 U.S.C. 4712, as described in section 3.908 of the Federal Acquisition Regulation.

(c) The Contractor shall insert the substance of this clause, including this paragraph (c), in all subcontracts over the simplified acquisition threshold.

19. **Subcontractors:** DHHS recognizes that the Contractor may choose to use subcontractors with greater expertise to perform certain health care services or functions for efficiency or convenience, but the Contractor shall retain the responsibility and accountability for the function(s). Prior to subcontracting, the Contractor shall evaluate the subcontractor's ability to perform the delegated function(s). This is accomplished through a written agreement that specifies activities and reporting responsibilities of the subcontractor and provides for revoking the delegation or imposing sanctions if the subcontractor's performance is not adequate. Subcontractors are subject to the same contractual conditions as the Contractor and the Contractor is responsible to ensure subcontractor compliance with those conditions.
- When the Contractor delegates a function to a subcontractor, the Contractor shall do the following:
- 19.1. Evaluate the prospective subcontractor's ability to perform the activities, before delegating the function
  - 19.2. Have a written agreement with the subcontractor that specifies activities and reporting responsibilities and how sanctions/revocation will be managed if the subcontractor's performance is not adequate
  - 19.3. Monitor the subcontractor's performance on an ongoing basis



- 19.4. Provide to DHHS an annual schedule identifying all subcontractors, delegated functions and responsibilities, and when the subcontractor's performance will be reviewed
- 19.5. DHHS shall, at its discretion, review and approve all subcontracts.

If the Contractor identifies deficiencies or areas for improvement are identified, the Contractor shall take corrective action.

#### DEFINITIONS

As used in the Contract, the following terms shall have the following meanings:

**COSTS:** Shall mean those direct and indirect items of expense determined by the Department to be allowable and reimbursable in accordance with cost and accounting principles established in accordance with state and federal laws, regulations, rules and orders.

**DEPARTMENT:** NH Department of Health and Human Services.

**FINANCIAL MANAGEMENT GUIDELINES:** Shall mean that section of the Contractor Manual which is entitled "Financial Management Guidelines" and which contains the regulations governing the financial activities of contractor agencies which have contracted with the State of NH to receive funds.

**PROPOSAL:** If applicable, shall mean the document submitted by the Contractor on a form or forms required by the Department and containing a description of the Services to be provided to eligible individuals by the Contractor in accordance with the terms and conditions of the Contract and setting forth the total cost and sources of revenue for each service to be provided under the Contract.

**UNIT:** For each service that the Contractor is to provide to eligible individuals hereunder, shall mean that period of time or that specified activity determined by the Department and specified in Exhibit B of the Contract.

**FEDERAL/STATE LAW:** Wherever federal or state laws, regulations, rules, orders, and policies, etc. are referred to in the Contract, the said reference shall be deemed to mean all such laws, regulations, etc. as they may be amended or revised from the time to time.

**CONTRACTOR MANUAL:** Shall mean that document prepared by the NH Department of Administrative Services containing a compilation of all regulations promulgated pursuant to the New Hampshire Administrative Procedures Act, NH RSA Ch 541-A, for the purpose of implementing State of NH and federal regulations promulgated thereunder.

**SUPPLANTING OTHER FEDERAL FUNDS:** The Contractor guarantees that funds provided under this Contract will not supplant any existing federal funds available for these services.



REVISIONS TO GENERAL PROVISIONS

1. Subparagraph 4 of the General Provisions of this contract, Conditional Nature of Agreement, is replaced as follows:
  4. **CONDITIONAL NATURE OF AGREEMENT.**  
Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including without limitation, the continuance of payments, in whole or in part, under this Agreement are contingent upon continued appropriation or availability of funds, including any subsequent changes to the appropriation or availability of funds affected by any state or federal legislative or executive action that reduces, eliminates, or otherwise modifies the appropriation or availability of funding for this Agreement and the Scope of Services provided in Exhibit A, Scope of Services, in whole or in part. In no event shall the State be liable for any payments hereunder in excess of appropriated or available funds. In the event of a reduction, termination or modification of appropriated or available funds, the State shall have the right to withhold payment until such funds become available. If ever, the State shall have the right to reduce, terminate or modify services under this Agreement immediately upon giving the Contractor notice of such reduction, termination or modification. The State shall not be required to transfer funds from any other source or account into the Account(s) identified in block 1.6 of the General Provisions, Account Number, or any other account, in the event funds are reduced or unavailable.
2. Subparagraph 10 of the General Provisions of this contract, Termination, is amended by adding the following language:
  - 10.1 The State may terminate the Agreement at any time for any reason, at the sole discretion of the State, 30 days after giving the Contractor written notice that the State is exercising its option to terminate the Agreement.
  - 10.2 In the event of early termination, the Contractor shall, within 15 days of notice of early termination, develop and submit to the State a Transition Plan for services under the Agreement, including but not limited to, identifying the present and future needs of clients receiving services under the Agreement and establishes a process to meet those needs.
  - 10.3 The Contractor shall fully cooperate with the State and shall promptly provide detailed information to support the Transition Plan including, but not limited to, any information or data requested by the State related to the termination of the Agreement and Transition Plan and shall provide ongoing communication and revisions of the Transition Plan to the State as requested.
  - 10.4 In the event that services under the Agreement, including but not limited to clients receiving services under the Agreement are transitioned to having services delivered by another entity including contracted providers or the State, the Contractor shall provide a process for uninterrupted delivery of services in the Transition Plan.
  - 10.5 The Contractor shall establish a method of notifying clients and other affected individuals about the transition. The Contractor shall include the proposed communications in its Transition Plan submitted to the State as described above.
3. The Division reserves the right to renew the Contract for up to two (2) additional years, subject to the continued availability of funds, satisfactory performance of services and approval by the Governor and Executive Council.

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10/31/17



**CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS**

The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of Sections 5151-5160 of the Drug-Free Workplace Act of 1988 (Pub. L. 100-690, Title V, Subtitle D; 41 U.S.C. 701 et seq.), and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

**ALTERNATIVE I - FOR GRANTEES OTHER THAN INDIVIDUALS**

**US DEPARTMENT OF HEALTH AND HUMAN SERVICES - CONTRACTORS  
US DEPARTMENT OF EDUCATION - CONTRACTORS  
US DEPARTMENT OF AGRICULTURE - CONTRACTORS**

This certification is required by the regulations implementing Sections 5151-5160 of the Drug-Free Workplace Act of 1988 (Pub. L. 100-690, Title V, Subtitle D; 41 U.S.C. 701 et seq.). The January 31, 1989 regulations were amended and published as Part II of the May 25, 1990 Federal Register (pages 21681-21691), and require certification by grantees (and by inference, sub-grantees and sub-contractors), prior to award, that they will maintain a drug-free workplace. Section 3017.630(c) of the regulation provides that a grantee (and by inference, sub-grantees and sub-contractors) that is a State may elect to make one certification to the Department in each federal fiscal year in lieu of certificates for each grant during the federal fiscal year covered by the certification. The certificate set out below is a material representation of fact upon which reliance is placed when the agency awards the grant. False certification or violation of the certification shall be grounds for suspension of payments, suspension or termination of grants, or government wide suspension or debarment. Contractors using this form should send it to:

Commissioner  
NH Department of Health and Human Services  
129 Pleasant Street,  
Concord, NH 03301-6505

1. The grantee certifies that it will or will continue to provide a drug-free workplace by:
  - 1.1. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
  - 1.2. Establishing an ongoing drug-free awareness program to inform employees about
    - 1.2.1. The dangers of drug abuse in the workplace;
    - 1.2.2. The grantee's policy of maintaining a drug-free workplace;
    - 1.2.3. Any available drug counseling, rehabilitation, and employee assistance programs; and
    - 1.2.4. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
  - 1.3. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph (a);
  - 1.4. Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the grant, the employee will
    - 1.4.1. Abide by the terms of the statement; and
    - 1.4.2. Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
  - 1.5. Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph 1.4.2 from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer on whose grant activity the convicted employee was working, unless the Federal agency

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10/31/17



has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;

- 1.6. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph 1.4.2, with respect to any employee who is so convicted
  - 1.6.1. Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
  - 1.6.2. Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;
- 1.7. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs 1.1, 1.2, 1.3, 1.4, 1.5, and 1.6.

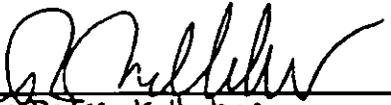
2. The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant.

Place of Performance (street address, city, county, state, zip code) (list each location)

Check  if there are workplaces on file that are not identified here.

Contractor Name: Harbor Homes Inc.

10/31/17  
Date

  
Name: Peter Kalleher  
Title: President & CEO



**CERTIFICATION REGARDING LOBBYING**

The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of Section 319 of Public Law 101-121, Government wide Guidance for New Restrictions on Lobbying, and 31 U.S.C. 1352, and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

US DEPARTMENT OF HEALTH AND HUMAN SERVICES - CONTRACTORS  
US DEPARTMENT OF EDUCATION - CONTRACTORS  
US DEPARTMENT OF AGRICULTURE - CONTRACTORS

Programs (indicate applicable program covered):

- \*Temporary Assistance to Needy Families under Title IV-A
- \*Child Support Enforcement Program under Title IV-D
- \*Social Services Block Grant Program under Title XX
- \*Medicaid Program under Title XIX
- \*Community Services Block Grant under Title VI
- \*Child Care Development Block Grant under Title IV

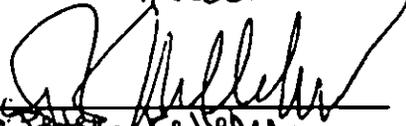
The undersigned certifies, to the best of his or her knowledge and belief, that:

1. No Federal appropriated funds have been paid or will be paid by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor).
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor), the undersigned shall complete and submit Standard Form LLL, (Disclosure Form to Report Lobbying, in accordance with its instructions, attached and identified as Standard Exhibit E-1.)
3. The undersigned shall require that the language of this certification be included in the award document for sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Contractor Name: Harbor Homes, Inc

10/31/17  
Date

  
Name: Peter Ketterer  
Title: President & CEO



**CERTIFICATION REGARDING DEBARMENT, SUSPENSION  
AND OTHER RESPONSIBILITY MATTERS**

The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of Executive Order of the President, Executive Order 12549 and 45 CFR Part 76 regarding Debarment, Suspension, and Other Responsibility Matters, and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

**INSTRUCTIONS FOR CERTIFICATION**

1. By signing and submitting this proposal (contract), the prospective primary participant is providing the certification set out below.
2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. If necessary, the prospective participant shall submit an explanation of why it cannot provide the certification. The certification or explanation will be considered in connection with the NH Department of Health and Human Services' (DHHS) determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.
3. The certification in this clause is a material representation of fact upon which reliance was placed when DHHS determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, DHHS may terminate this transaction for cause or default.
4. The prospective primary participant shall provide immediate written notice to the DHHS agency to whom this proposal (contract) is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
5. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549: 45 CFR Part 76. See the attached definitions.
6. The prospective primary participant agrees by submitting this proposal (contract) that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by DHHS.
7. The prospective primary participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions," provided by DHHS, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or involuntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List (of excluded parties).
9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and

*[Signature]*  
10/31/17



information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

10. Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal government, DHHS may terminate this transaction for cause or default.

**PRIMARY COVERED TRANSACTIONS**

11. The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:
- 11.1. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
  - 11.2. have not within a three-year period preceding this proposal (contract) been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or a contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
  - 11.3. are not presently indicted for otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and
  - 11.4. have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.
12. Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal (contract).

**LOWER TIER COVERED TRANSACTIONS**

13. By signing and submitting this lower tier proposal (contract), the prospective lower tier participant, as defined in 45 CFR Part 76, certifies to the best of its knowledge and belief that it and its principals:
- 13.1. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency.
  - 13.2. where the prospective lower tier participant is unable to certify to any of the above, such prospective participant shall attach an explanation to this proposal (contract).
14. The prospective lower tier participant further agrees by submitting this proposal (contract) that it will include this clause entitled "Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion - Lower Tier Covered Transactions," without modification in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

Contractor Name: Harbor Homes Inc.

10/31/17  
Date

  
Name: Peter Kelleher  
Title: President & CEO



**CERTIFICATION OF COMPLIANCE WITH REQUIREMENTS PERTAINING TO  
FEDERAL NONDISCRIMINATION, EQUAL TREATMENT OF FAITH-BASED ORGANIZATIONS AND  
WHISTLEBLOWER PROTECTIONS**

The Contractor identified in Section 1.3 of the General Provisions agrees by signature of the Contractor's representative as identified in Sections 1.11 and 1.12 of the General Provisions, to execute the following certification:

Contractor will comply, and will require any subgrantees or subcontractors to comply, with any applicable federal nondiscrimination requirements, which may include:

- the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. Section 3789d) which prohibits recipients of federal funding under this statute from discriminating, either in employment practices or in the delivery of services or benefits, on the basis of race, color, religion, national origin, and sex. The Act requires certain recipients to produce an Equal Employment Opportunity Plan;
- the Juvenile Justice Delinquency Prevention Act of 2002 (42 U.S.C. Section 5672(b)) which adopts by reference, the civil rights obligations of the Safe Streets Act. Recipients of federal funding under this statute are prohibited from discriminating, either in employment practices or in the delivery of services or benefits, on the basis of race, color, religion, national origin, and sex. The Act includes Equal Employment Opportunity Plan requirements;
- the Civil Rights Act of 1964 (42 U.S.C. Section 2000d, which prohibits recipients of federal financial assistance from discriminating on the basis of race, color, or national origin in any program or activity);
- the Rehabilitation Act of 1973 (29 U.S.C. Section 794), which prohibits recipients of Federal financial assistance from discriminating on the basis of disability, in regard to employment and the delivery of services or benefits, in any program or activity;
- the Americans with Disabilities Act of 1990 (42 U.S.C. Sections 12131-34), which prohibits discrimination and ensures equal opportunity for persons with disabilities in employment, State and local government services, public accommodations, commercial facilities, and transportation;
- the Education Amendments of 1972 (20 U.S.C. Sections 1681, 1683, 1685-86), which prohibits discrimination on the basis of sex in federally assisted education programs;
- the Age Discrimination Act of 1975 (42 U.S.C. Sections 6106-07), which prohibits discrimination on the basis of age in programs or activities receiving Federal financial assistance. It does not include employment discrimination;
- 28 C.F.R. pt. 31 (U.S. Department of Justice Regulations – OJJDP Grant Programs); 28 C.F.R. pt. 42 (U.S. Department of Justice Regulations – Nondiscrimination; Equal Employment Opportunity; Policies and Procedures); Executive Order No. 13279 (equal protection of the laws for faith-based and community organizations); Executive Order No. 13559, which provide fundamental principles and policy-making criteria for partnerships with faith-based and neighborhood organizations;
- 28 C.F.R. pt. 38 (U.S. Department of Justice Regulations – Equal Treatment for Faith-Based Organizations); and Whistleblower protections 41 U.S.C. §4712 and The National Defense Authorization Act (NDAA) for Fiscal Year 2013 (Pub. L. 112-239, enacted January 2, 2013) the Pilot Program for Enhancement of Contract Employee Whistleblower Protections, which protects employees against reprisal for certain whistle blowing activities in connection with federal grants and contracts.

The certificate set out below is a material representation of fact upon which reliance is placed when the agency awards the grant. False certification or violation of the certification shall be grounds for suspension of payments, suspension or termination of grants, or government wide suspension or debarment.

Exhibit G

Contractor Initials *em*

Certification of Compliance with requirements pertaining to Federal Nondiscrimination, Equal Treatment of Faith-Based Organizations and Whistleblower protections

New Hampshire Department of Health and Human Services  
Exhibit G



In the event a Federal or State court or Federal or State administrative agency makes a finding of discrimination after a due process hearing on the grounds of race, color, religion, national origin, or sex against a recipient of funds, the recipient will forward a copy of the finding to the Office for Civil Rights, to the applicable contracting agency or division within the Department of Health and Human Services, and to the Department of Health and Human Services Office of the Ombudsman.

The Contractor identified in Section 1.3 of the General Provisions agrees by signature of the Contractor's representative as identified in Sections 1.11 and 1.12 of the General Provisions, to execute the following certification:

1. By signing and submitting this proposal (contract) the Contractor agrees to comply with the provisions indicated above.

10/31/17  
Date

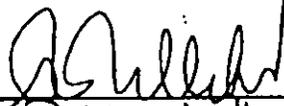
Contractor Name: Harbor Homes Inc.  
  
Name: Peter Kelleher  
Title: President & CEO

Exhibit G

Contractor Initials 

Certification of Compliance with requirements pertaining to Federal Harassment, Equal Treatment of Faith-Based Organizations and Whistleblower protections

Date 10/31/17



CERTIFICATION REGARDING ENVIRONMENTAL TOBACCO SMOKE

Public Law 103-227, Part C - Environmental Tobacco Smoke, also known as the Pro-Children Act of 1994 (Act), requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, education, or library services to children under the age of 18, if the services are funded by Federal programs either directly or through State or local governments, by Federal grant, contract, loan, or loan guarantee. The law does not apply to children's services provided in private residences, facilities funded solely by Medicare or Medicaid funds, and portions of facilities used for inpatient drug or alcohol treatment. Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to \$1000 per day and/or the imposition of an administrative compliance order on the responsible entity.

The Contractor identified in Section 1.3 of the General Provisions agrees, by signature of the Contractor's representative as identified in Section 1.11 and 1.12 of the General Provisions, to execute the following certification:

1. By signing and submitting this contract, the Contractor agrees to make reasonable efforts to comply with all applicable provisions of Public Law 103-227, Part C, known as the Pro-Children Act of 1994.

Contractor Name: Harbor Homes Inc.

10/31/17  
Date

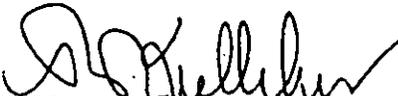
  
Name: Peter Kelleher  
Title: President & CEO



Exhibit I

**HEALTH INSURANCE PORTABILITY ACT**  
**BUSINESS ASSOCIATE AGREEMENT**

The Contractor identified in Section 1.3 of the General Provisions of the Agreement agrees to comply with the Health Insurance Portability and Accountability Act, Public Law 104-191 and with the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160 and 164 applicable to business associates. As defined herein, "Business Associate" shall mean the Contractor and subcontractors and agents of the Contractor that receive, use or have access to protected health information under this Agreement and "Covered Entity" shall mean the State of New Hampshire, Department of Health and Human Services.

(1) **Definitions.**

- a. **"Breach"** shall have the same meaning as the term "Breach" in section 164.402 of Title 45, Code of Federal Regulations.
- b. **"Business Associate"** has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.
- c. **"Covered Entity"** has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.
- d. **"Designated Record Set"** shall have the same meaning as the term "designated record set" in 45 CFR Section 164.501.
- e. **"Data Aggregation"** shall have the same meaning as the term "data aggregation" in 45 CFR Section 164.501.
- f. **"Health Care Operations"** shall have the same meaning as the term "health care operations" in 45 CFR Section 164.501.
- g. **"HITECH Act"** means the Health Information Technology for Economic and Clinical Health Act, Title XIII, Subtitle D, Part 1, & 2 of the American Recovery and Reinvestment Act of 2009.
- h. **"HIPAA"** means the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 and the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160, 162 and 164 and amendments thereto.
- i. **"Individual"** shall have the same meaning as the term "individual" in 45 CFR Section 160.103 and shall include a person who qualifies as a personal representative in accordance with 45 CFR Section 164.501(g).
- j. **"Privacy Rule"** shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.
- k. **"Protected Health Information"** shall have the same meaning as the term "protected health information" in 45 CFR Section 160.103, limited to the information created or received by Business Associate from or on behalf of Covered Entity.

*[Handwritten Signature]*

Date 10/31/17



Exhibit I

- I. **"Required by Law"** shall have the same meaning as the term "required by law" in 45 CFR Section 164.103.
- m. **"Secretary"** shall mean the Secretary of the Department of Health and Human Services or his/her designee.
- n. **"Security Rule"** shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 CFR Part 164, Subpart C, and amendments thereto.
- o. **"Unsecured Protected Health Information"** means protected health information that is not secured by a technology standard that renders protected health information unusable, unreadable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.
- p. **Other Definitions** - All terms not otherwise defined herein shall have the meaning established under 45 C.F.R. Parts 160, 162 and 164, as amended from time to time, and the HITECH Act.

(2) **Business Associate Use and Disclosure of Protected Health Information.**

- a. Business Associate shall not use, disclose, maintain or transmit Protected Health Information (PHI) except as reasonably necessary to provide the services outlined under Exhibit A of the Agreement. Further, Business Associate, including but not limited to all its directors, officers, employees and agents, shall not use, disclose, maintain or transmit PHI in any manner that would constitute a violation of the Privacy and Security Rule.
- b. Business Associate may use or disclose PHI:
  - I. For the proper management and administration of the Business Associate;
  - II. As required by law, pursuant to the terms set forth in paragraph d. below;
  - III. For data aggregation purposes for the health care operations of Covered Entity.
- c. To the extent Business Associate is permitted under the Agreement to disclose PHI to a third party, Business Associate must obtain, prior to making any such disclosure, (i) reasonable assurances from the third party that such PHI will be held confidentially and used or further disclosed only as required by law or for the purpose for which it was disclosed to the third party; and (ii) an agreement from such third party to notify Business Associate, in accordance with the HIPAA Privacy, Security, and Breach Notification Rules of any breaches of the confidentiality of the PHI, to the extent it has obtained knowledge of such breach.
- d. The Business Associate shall not, unless such disclosure is reasonably necessary to provide services under Exhibit A of the Agreement, disclose any PHI in response to a request for disclosure on the basis that it is required by law, without first notifying Covered Entity so that Covered Entity has an opportunity to object to the disclosure and to seek appropriate relief. If Covered Entity objects to such disclosure, the Business

*PK*  
10/31/17



Exhibit I

Associate shall refrain from disclosing the PHI until Covered Entity has exhausted all remedies.

- e. If the Covered Entity notifies the Business Associate that Covered Entity has agreed to be bound by additional restrictions over and above those uses or disclosures or security safeguards of PHI pursuant to the Privacy and Security Rule, the Business Associate shall be bound by such additional restrictions and shall not disclose PHI in violation of such additional restrictions and shall abide by any additional security safeguards.

(3) Obligations and Activities of Business Associate.

- a. The Business Associate shall notify the Covered Entity's Privacy Officer immediately after the Business Associate becomes aware of any use or disclosure of protected health information not provided for by the Agreement including breaches of unsecured protected health information and/or any security incident that may have an impact on the protected health information of the Covered Entity.
- b. The Business Associate shall immediately perform a risk assessment when it becomes aware of any of the above situations. The risk assessment shall include, but not be limited to:
  - o The nature and extent of the protected health information involved, including the types of identifiers and the likelihood of re-identification;
  - o The unauthorized person used the protected health information or to whom the disclosure was made;
  - o Whether the protected health information was actually acquired or viewed
  - o The extent to which the risk to the protected health information has been mitigated.

The Business Associate shall complete the risk assessment within 48 hours of the breach and immediately report the findings of the risk assessment in writing to the Covered Entity.

- c. The Business Associate shall comply with all sections of the Privacy, Security, and Breach Notification Rule.
- d. Business Associate shall make available all of its internal policies and procedures, books and records relating to the use and disclosure of PHI received from, or created or received by the Business Associate on behalf of Covered Entity to the Secretary for purposes of determining Covered Entity's compliance with HIPAA and the Privacy and Security Rule.
- e. Business Associate shall require all of its business associates that receive, use or have access to PHI under the Agreement, to agree in writing to adhere to the same restrictions and conditions on the use and disclosure of PHI contained herein, including the duty to return or destroy the PHI as provided under Section 3 (I). The Covered Entity shall be considered a direct third party beneficiary of the Contractor's business associate agreements with Contractor's intended business associates, who will be receiving PHI



Exhibit I

pursuant to this Agreement, with rights of enforcement and indemnification from such business associates who shall be governed by standard Paragraph #13 of the standard contract provisions (P-37) of this Agreement for the purpose of use and disclosure of protected health information.

- f. Within five (5) business days of receipt of a written request from Covered Entity, Business Associate shall make available during normal business hours at its offices all records, books, agreements, policies and procedures relating to the use and disclosure of PHI to the Covered Entity, for purposes of enabling Covered Entity to determine Business Associate's compliance with the terms of the Agreement.
- g. Within ten (10) business days of receiving a written request from Covered Entity, Business Associate shall provide access to PHI in a Designated Record Set to the Covered Entity, or as directed by Covered Entity, to an individual in order to meet the requirements under 45 CFR Section 164.524.
- h. Within ten (10) business days of receiving a written request from Covered Entity for an amendment of PHI or a record about an individual contained in a Designated Record Set, the Business Associate shall make such PHI available to Covered Entity for amendment and incorporate any such amendment to enable Covered Entity to fulfill its obligations under 45 CFR Section 164.526.
- i. Business Associate shall document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR Section 164.528.
- j. Within ten (10) business days of receiving a written request from Covered Entity for a request for an accounting of disclosures of PHI, Business Associate shall make available to Covered Entity such information as Covered Entity may require to fulfill its obligations to provide an accounting of disclosures with respect to PHI in accordance with 45 CFR Section 164.528.
- k. In the event any individual requests access to, amendment of, or accounting of PHI directly from the Business Associate, the Business Associate shall within two (2) business days forward such request to Covered Entity. Covered Entity shall have the responsibility of responding to forwarded requests. However, if forwarding the individual's request to Covered Entity would cause Covered Entity or the Business Associate to violate HIPAA and the Privacy and Security Rule, the Business Associate shall instead respond to the individual's request as required by such law and notify Covered Entity of such response as soon as practicable.
- l. Within ten (10) business days of termination of the Agreement, for any reason, the Business Associate shall return or destroy, as specified by Covered Entity, all PHI received from, or created or received by the Business Associate in connection with the Agreement, and shall not retain any copies or back-up tapes of such PHI. If return or destruction is not feasible, or the disposition of the PHI has been otherwise agreed to in the Agreement, Business Associate shall continue to extend the protections of the Agreement, to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business

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Contractor Initials

Date

pk  
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Exhibit I

Associate maintains such PHI. If Covered Entity, in its sole discretion, requires that the Business Associate destroy any or all PHI, the Business Associate shall certify to Covered Entity that the PHI has been destroyed.

(4) Obligations of Covered Entity

- a. Covered Entity shall notify Business Associate of any changes or limitation(s) in its Notice of Privacy Practices provided to individuals in accordance with 45 CFR Section 164.520, to the extent that such change or limitation may affect Business Associate's use or disclosure of PHI.
- b. Covered Entity shall promptly notify Business Associate of any changes in, or revocation of permission provided to Covered Entity by individuals whose PHI may be used or disclosed by Business Associate under this Agreement, pursuant to 45 CFR Section 164.506 or 45 CFR Section 164.508.
- c. Covered entity shall promptly notify Business Associate of any restrictions on the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 CFR 164.522, to the extent that such restriction may affect Business Associate's use or disclosure of PHI.

(5) Termination for Cause

In addition to Paragraph 10 of the standard terms and conditions (P-37) of this Agreement the Covered Entity may immediately terminate the Agreement upon Covered Entity's knowledge of a breach by Business Associate of the Business Associate Agreement set forth herein as Exhibit I. The Covered Entity may either immediately terminate the Agreement or provide an opportunity for Business Associate to cure the alleged breach within a timeframe specified by Covered Entity. If Covered Entity determines that neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary.

(6) Miscellaneous

- a. Definitions and Regulatory References. All terms used, but not otherwise defined herein, shall have the same meaning as those terms in the Privacy and Security Rule, amended from time to time. A reference in the Agreement, as amended to include this Exhibit I, to a Section in the Privacy and Security Rule means the Section as in effect or as amended.
- b. Amendment. Covered Entity and Business Associate agree to take such action as is necessary to amend the Agreement, from time to time as is necessary for Covered Entity to comply with the changes in the requirements of HIPAA, the Privacy and Security Rule, and applicable federal and state law.
- c. Data Ownership. The Business Associate acknowledges that it has no ownership rights with respect to the PHI provided by or created on behalf of Covered Entity.
- d. Interpretation. The parties agree that any ambiguity in the Agreement shall be resolved to permit Covered Entity to comply with HIPAA, the Privacy and Security Rule.

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Exhibit I

- e. Segregation. If any term or condition of this Exhibit I or the application thereof to any person(s) or circumstance is held invalid, such invalidity shall not affect other terms or conditions which can be given effect without the invalid term or condition; to this end the terms and conditions of this Exhibit I are declared severable.
- f. Survival. Provisions in this Exhibit I regarding the use and disclosure of PHI, return or destruction of PHI, extensions of the protections of the Agreement in section (3) I, the defense and indemnification provisions of section (3) e. and Paragraph 13 of the standard terms and conditions (P-37), shall survive the termination of the Agreement.

IN WITNESS WHEREOF, the parties hereto have duly executed this Exhibit I.

Department of Health and Human Services  
 The State  
Katja S. Fox  
 Signature of Authorized Representative  
Katja S. Fox  
 Name of Authorized Representative  
Director  
 Title of Authorized Representative  
10/31/17  
 Date

Harbor Homes Inc.  
 Name of the Contractor  
[Signature]  
 Signature of Authorized Representative  
Peter Kelleher  
 Name of Authorized Representative  
President & CEO  
 Title of Authorized Representative  
10/31/17  
 Date



**CERTIFICATION REGARDING THE FEDERAL FUNDING ACCOUNTABILITY AND TRANSPARENCY ACT (FFATA) COMPLIANCE**

The Federal Funding Accountability and Transparency Act (FFATA) requires prime awardees of individual Federal grants equal to or greater than \$25,000 and awarded on or after October 1, 2010, to report on data related to executive compensation and associated first-tier sub-grants of \$25,000 or more. If the initial award is below \$25,000 but subsequent grant modifications result in a total award equal to or over \$25,000, the award is subject to the FFATA reporting requirements, as of the date of the award.

In accordance with 2 CFR Part 170 (Reporting Subaward and Executive Compensation Information), the Department of Health and Human Services (DHHS) must report the following information for any subaward or contract award subject to the FFATA reporting requirements:

1. Name of entity
2. Amount of award
3. Funding agency
4. NAICS code for contracts / CFDA program number for grants
5. Program source
6. Award title descriptive of the purpose of the funding action
7. Location of the entity
8. Principle place of performance
9. Unique identifier of the entity (DUNS #)
10. Total compensation and names of the top five executives if:
  - 10.1. More than 80% of annual gross revenues are from the Federal government, and those revenues are greater than \$25M annually and
  - 10.2. Compensation information is not already available through reporting to the SEC.

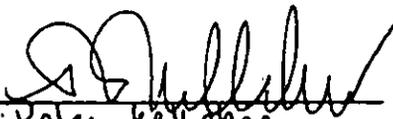
Prime grant recipients must submit FFATA required data by the end of the month, plus 30 days, in which the award or award amendment is made.

The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of The Federal Funding Accountability and Transparency Act, Public Law 109-282 and Public Law 110-252, and 2 CFR Part 170 (Reporting Subaward and Executive Compensation Information), and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

The below named Contractor agrees to provide needed information as outlined above to the NH Department of Health and Human Services and to comply with all applicable provisions of the Federal Financial Accountability and Transparency Act.

Contractor Name: Harbor Homes Inc.

10/31/17  
Date

  
Name: Peter Kelleher  
Title: President & CEO

PK  
10/31/17



FORM A

As the Contractor identified in Section 1.3 of the General Provisions, I certify that the responses to the below listed questions are true and accurate.

1. The DUNS number for your entity is: 13-186-4357
2. In your business or organization's preceding completed fiscal year, did your business or organization receive (1) 80 percent or more of your annual gross revenue in U.S. federal contracts, subcontracts, loans, grants, sub-grants, and/or cooperative agreements; and (2) \$25,000,000 or more in annual gross revenues from U.S. federal contracts, subcontracts, loans, grants, subgrants, and/or cooperative agreements?

NO  YES

If the answer to #2 above is NO, stop here

If the answer to #2 above is YES, please answer the following:

3. Does the public have access to information about the compensation of the executives in your business or organization through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986?

NO  YES

If the answer to #3 above is YES, stop here

If the answer to #3 above is NO, please answer the following:

4. The names and compensation of the five most highly compensated officers in your business or organization are as follows:

|             |               |
|-------------|---------------|
| Name: _____ | Amount: _____ |



**DHHS INFORMATION SECURITY REQUIREMENTS**

1. Confidential Information: In addition to Paragraph #9 of the General Provisions (P-37) for the purpose of this RFP, the Department's Confidential Information includes any and all information owned or managed by the State of NH - created, received from or on behalf of the Department of Health and Human Services (DHHS) or accessed in the course of performing contracted services - of which collection, disclosure, protection, and disposition is governed by state or federal law or regulation. This information includes, but is not limited to Personal Health Information (PHI), Personally Identifiable Information (PII), Federal Tax Information (FTI), Social Security Numbers (SSN), Payment Card Industry (PCI), and or other sensitive and confidential information.
2. The vendor will maintain proper security controls to protect Department confidential information collected, processed, managed, and/or stored in the delivery of contracted services. Minimum expectations include:
  - 2.1. Maintain policies and procedures to protect Department confidential information throughout the information lifecycle, where applicable, (from creation, transformation, use, storage and secure destruction) regardless of the media used to store the data (i.e., tape, disk, paper, etc.).
  - 2.2. Maintain appropriate authentication and access controls to contractor systems that collect, transmit, or store Department confidential information where applicable.
  - 2.3. Encrypt, at a minimum, any Department confidential data stored on portable media, e.g., laptops, USB drives, as well as when transmitted over public networks like the Internet using current industry standards and best practices for strong encryption.
  - 2.4. Ensure proper security monitoring capabilities are in place to detect potential security events that can impact State of NH systems and/or Department confidential information for contractor provided systems.
  - 2.5. Provide security awareness and education for its employees, contractors and sub-contractors in support of protecting Department confidential information
  - 2.6. Maintain a documented breach notification and incident response process. The vendor will contact the Department within twenty-four 24 hours to the Department's contract manager, and additional email addresses provided in this section, of a confidential information breach, computer security incident, or suspected breach which affects or includes any State of New Hampshire systems that connect to the State of New Hampshire network.
    - 2.6.1. "Breach" shall have the same meaning as the term "Breach" in section 164.402 of Title 45, Code of Federal Regulations. "Computer Security Incident" shall have the same meaning "Computer Security Incident" in section two (2) of NIST Publication 800-61, Computer Security Incident Handling Guide, National Institute of Standards and Technology, U.S. Department of Commerce.  
Breach notifications will be sent to the following email addresses:
      - 2.6.1.1. [DHHSChiefInformationOfficer@dhhs.nh.gov](mailto:DHHSChiefInformationOfficer@dhhs.nh.gov)
      - 2.6.1.2. [DHHSInformationSecurityOffice@dhhs.nh.gov](mailto:DHHSInformationSecurityOffice@dhhs.nh.gov)
- 2.7. If the vendor will maintain any Confidential Information on its systems (or its sub-contractor systems), the vendor will maintain a documented process for securely disposing of such data upon request or contract termination; and will obtain written certification for any State of New Hampshire data destroyed by the vendor or any subcontractors as a part of ongoing, emergency, and or disaster recovery operations. When no longer in use, electronic media containing State of New Hampshire data shall be rendered unrecoverable via a secure wipe program in accordance with industry-accepted standards for secure

New Hampshire Department of Health and Human Services  
Exhibit K



deletion, or otherwise physically destroying the media (for example, degaussing). The vendor will document and certify in writing at time of the data destruction, and will provide written certification to the Department upon request. The written certification will include all details necessary to demonstrate data has been properly destroyed and validated. Where applicable, regulatory and professional standards for retention requirements will be jointly evaluated by the State and vendor prior to destruction.

- 2.8. If the vendor will be sub-contracting any core functions of the engagement supporting the services for State of New Hampshire, the vendor will maintain a program of an internal process or processes that defines specific security expectations, and monitoring compliance to security requirements that at a minimum match those for the vendor, including breach notification requirements.
3. The vendor will work with the Department to sign and comply with all applicable State of New Hampshire and Department system access and authorization policies and procedures, systems access forms, and computer use agreements as part of obtaining and maintaining access to any Department system(s). Agreements will be completed and signed by the vendor and any applicable sub-contractors prior to system access being authorized.
4. If the Department determines the vendor is a Business Associate pursuant to 45 CFR 160.103, the vendor will work with the Department to sign and execute a HIPAA Business Associate Agreement (BAA) with the Department and is responsible for maintaining compliance with the agreement.
5. The vendor will work with the Department at its request to complete a survey. The purpose of the survey is to enable the Department and vendor to monitor for any changes in risks, threats, and vulnerabilities that may occur over the life of the vendor engagement. The survey will be completed annually, or an alternate time frame at the Department's discretion with agreement by the vendor, or the Department may request the survey be completed when the scope of the engagement between the Department and the vendor changes. The vendor will not store, knowingly or unknowingly, any State of New Hampshire or Department data offshore or outside the boundaries of the United States unless prior express written consent is obtained from the appropriate authorized data owner or leadership member within the Department.

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